



This is the 1st Affidavit of
Mark Warrant in this case and
was made on July 7, 2015

NO. S-154746
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*,
R.S.C. 1985, c. C-44

AND

IN THE MATTER OF NORTH AMERICAN TUNGSTEN CORPORATION LTD.

PETITIONER

A F F I D A V I T

I, **MARK WARREN**, Deputy Minister of the Department of Lands, 4923 – 52nd Street,
Yellowknife, NT, MAKE OATH AND SAY AS FOLLOWS:

1. I am the Deputy Minister of the Department of Lands of the Northwest Territories, and as such have personal knowledge of the matters herein after deposed, except where stated to be based on information and belief, and where so stated I do verily believe the same to be true.
2. Attached hereto and marked as **Exhibit "A"** to this my Affidavit is a true copy of the Assignment, Assumption and Amendment Agreement (the "**Assignment Agreement**") among North American Tungsten Corporation Ltd. ("**NATC**"), Her Majesty the Queen in Right of Canada ("**Canada**"), and the Government of the Northwest Territories ("**GNWT**") dated March 28, 2014. Attached to the Assignment Agreement is the Amended and Restated Reclamation Security Agreement ("**Reclamation Security Agreement**") between NATC and Canada which was assigned to GNWT.


3. I have read Affidavit #1 of Dennis M. Lindahl sworn June 8, 2015 ("**Lindahl #1**"). In response thereto:

- (a) the amount of the reclamation security stated at paragraph 45 is incorrect. The correct amount is \$27.95 million;
- (b) I disagree with Mr Lindahl's interpretation of the Mine Site Reclamation Policy for the Northwest Territories (the "**Policy**"), and its application to NATC for several reasons:
 - (i) the Policy was that of the Government of Canada prior to devolution, and was not adopted by GNWT on April 1, 2014 and is not binding on it;
 - (ii) the Reclamation Security Agreement was entered into subsequent to the Policy; and
 - (iii) the security to be posted by NATC is governed by the *Waters Act*, SNWT 2014 c. 18 and the regulations thereunder. Under the *Waters Act* regime, the Mackenzie Valley Land and Water Board (the "**Water Board**") determines the amount of the security to be posted under a specific water licence, and the GNWT determines the form of that security but cannot amend the amount.

Attached hereto and marked as **Exhibit "B"** to this my Affidavit is a true copy of the Policy.

4. Attached hereto and marked as **Exhibit "C"** to this my Affidavit is a true copy of a letter from the Water Board to NATC dated June 16, 2015 enclosing the approved amendment to Water Licence MV2002L2-0019.

SWORN BEFORE ME at Vancouver, British Columbia, on this 7th day of July, 2015.



A Commissioner for taking Affidavits
for British Columbia



MARK WARREN

MARY I. A. BUTTERY
Barrister and Solicitor
DLA Piper (Canada) LLP
666 Burrard Street, Suite 2800
Vancouver, BC V6C 2Z7
604.643.6478
mary.buttery@dlapiper.com

This is Exhibit "A" referred to in the affidavit of **Mark Warren**, sworn before me at Vancouver, in the Province of British Columbia, this 7th day of July, 2015.

A handwritten signature in black ink, appearing to read "M. Butty", is written over a horizontal line.

A Commissioner for taking Affidavits in and for the
Province of British Columbia

ASSIGNMENT, ASSUMPTION AND AMENDMENT AGREEMENT

THIS AGREEMENT made as of the 28th day of March, 2014,

B E T W E E N:

NORTH AMERICAN TUNGSTEN CORPORATION LTD., a corporation incorporated in accordance with the laws of Canada (hereinafter referred to as "NATC"),

- and -

HER MAJESTY THE QUEEN IN RIGHT OF CANADA, as represented by the Minister of Indian Affairs and Northern Development (hereinafter referred to as "Canada"),

- and -

THE GOVERNMENT OF THE NORTHWEST TERRITORIES, as represented by the Minister of Environment and Natural Resources (hereinafter referred to as "GNWT"),

(hereinafter, collectively, the "Parties")

WHEREAS Canada and NATC have entered into an Amended and Restated Reclamation Security Agreement dated August 24, 2010 ("RSA") in respect of the Cantung Mine located in the Northwest Territories;

AND WHEREAS Canada holds certain promissory notes from NATC as security under the terms of the RSA in respect of NATC's obligations thereunder, which promissory notes (the "Promissory Notes") are set out in Schedule A to this Agreement;

AND WHEREAS Canada also holds a security interest in and against NATC's property, assets and undertaking relating to the Mactung Mine pursuant to section 3.1 of the RSA as security for NATC's obligations under the RSA;

AND WHEREAS Canada has entered into subordination agreements with certain parties pursuant to section 3.2(iv) of the RSA ("the Subordination Agreements"), such Subordination Agreements being set out in Schedule B to this Agreement;

AND WHEREAS on June 25, 2013, Canada and the Government of the Northwest Territories (GNWT), among others, entered into the Northwest Territories Lands and Resources Devolution Agreement made with effect on such date ("the Devolution Agreement");

AND WHEREAS the Devolution Agreement and its implementation legislation will transfer jurisdiction over lands on which the Cantung Mine is located in the Northwest Territories to the GNWT on April 1, 2014;

AND WHEREAS this Agreement is made pursuant to sections 3.55 and 8.32 of the Devolution Agreement which require Canada to transfer to the GNWT every security held in relation to existing interests as defined in the Devolution Agreement with effect on April 1, 2014;

AND WHEREAS Canada wishes effective April 1, 2014 to transfer and assign all of its rights, benefits, obligations, covenants and liabilities in, to and under the RSA, the Subordination Agreements and the Promissory Notes and the GNWT is willing to accept such transfer and assignment and to assume and comply with all obligations, covenants and liabilities of Canada under the RSA, the Subordination Agreements and the Promissory Notes;

AND WHEREAS in order to fully give effect to this Agreement certain amendments will be required to the RSA as more particularly set forth herein.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the respective covenants, representations and warranties of the Parties hereinafter contained and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged by each of the Parties, the Parties agree as follows:

1. Canada hereby transfers and assigns to the GNWT all of Canada's rights, title, interest, obligations, covenants and liabilities in, to and under the RSA, including any rights, interests, obligations, covenants and liabilities in the Subordination Agreements, with effect on April 1, 2014.
2. The GNWT hereby accepts the transfer and assignment referred to in section 1 and agrees to discharge, assume and otherwise comply with all of the obligations, covenants and liabilities of Canada under the RSA, including any rights, interests, obligations, covenants and liabilities in the Subordination Agreements, effective April 1, 2014 which, for greater certainty, will be enforceable against the GNWT.
3. NATC hereby consents to this assignment by Canada of its rights, title, interest, obligations covenants and liabilities in, to and under the RSA to the GNWT as required by section 4.3 of the RSA.
4. Canada hereby transfers and assigns its security interest under section 3.1 of the RSA in and against NATC's property, assets and undertakings relating to the Mactung Mine, to the GNWT effective April 1, 2014.
5. Canada hereby transfers and assigns the Promissory Notes to the GNWT and the GNWT hereby accepts such transfer and assignment effective April 1, 2014.

6. From and after April 1, 2014, the GNWT and NATC covenant and agree that:

- a) All references in the RSA to:
 - a. "Her Majesty the Queen in Right of Canada" will be read as a reference to the "Government of the Northwest Territories";
 - b. "Minister" will be read as a reference to "Minister of Environment and Natural Resources";
 - c. "DIAND" will be read as a reference to "ENR" which means the Government of the Northwest Territories as represented by the Minister of Environment and Natural Resources";
 - d. The "*Territorial Lands Act* (Canada)" and "Canada Mining Regulations" will be read as a reference to "the *Northwest Territories Lands Act* (NWT)" and "Mining Regulations (NWT)" respectively;
 - e. The "*Northwest Territories Waters Act* (Canada)" will be read as a reference to "*Waters Act* (NWT)" and the reference to "Section 37(3) of the *Waters Act*" in section 3.4 will be read as a reference to "Section 67(3) of the *Waters Act*";
- b) For the purposes of providing notice under section 4.1(a) of the RSA the address for NATC will be:

North American Tungsten Corporation Ltd.
Suite 1640 – 1188 West Georgia Street
Vancouver, B.C. V6E 4A2

Attention: Kurt Heikkila
Telephone: (604) 684-5300
Fax: (604) 684-2992

With a copy to:

Dentons Canada LLP
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8

- c) For the purposes of providing notice under section 4.1(b) of the RSA the address for the GNWT will be:

Government of the Northwest Territories
Department of Environment and Natural Resources
6th Floor, Scotia Centre
5102 – 50th Avenue
P.O. Box 1320

Yellowknife, NT X1A 2L9

Attention: Mr. Ernie Campbell, Deputy Minister of Environment and
Natural Resources

Telephone: (867) 873-7401

Fax: (867) 873-0638

7. The GNWT shall indemnify and save Canada, its Ministers, officers, agents and employees, harmless from and against all actions, suits, proceedings, costs, losses, damages, charges and expenses arising from or in respect of any breach of the RSA by the GNWT after the Transfer Date.
8. Canada shall indemnify and save the GNWT, its Ministers, officers, agents and employees, harmless from and against all actions, suits, proceedings, costs, losses, damages, charges and expenses arising from or in respect of any breach of the RSA by Canada prior to the Transfer Date.
9. No amendment or waiver in respect of this Agreement will be effective unless in writing and executed by each of the parties.
10. This Agreement is governed by and interpreted in accordance with the laws of the Northwest Territories and the laws of Canada applicable in the Northwest Territories.
11. This Agreement shall enure to the benefit of, and be binding upon, the parties hereto and their successors and assigns.
12. This Agreement may be executed by the parties in separate counterparts, each of which shall be deemed to constitute an original, but all of which together shall constitute one and the same agreement. This Agreement will be considered fully executed when all parties have executed an identical counterpart, notwithstanding that all signatures may not appear on the same counterpart. Delivery of executed counterparts by the parties, whether by facsimile transmission or electronic means, shall be deemed to be proper execution of this Agreement.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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AS EVIDENCE OF THE PARTIES' AGREEMENT, this Agreement has been signed on behalf of Canada by authorized representatives of the Minister of Indian Affairs and Northern Development, and on behalf of the GNWT by authorized representatives of the Minister of Environment and Natural Resources, and by the authorized representative of NATC.

MINISTER OF INDIAN AFFAIRS AND
NORTHERN DEVELOPMENT,
by his Authorized Representative

P. M. 20h

Name: Paula Isaak

Title: DS, Natural Resources +
Environment

MINISTER OF ENVIRONMENT AND NATURAL
RESOURCES
by his Authorized Representative

Name: _____

Title: _____

NORTH AMERICAN TUNGSTEN CORPORATION LTD.
by its Authorized Representative

Name: _____

Title: _____

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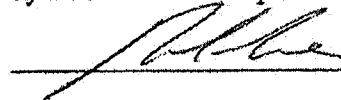
AS EVIDENCE OF THE PARTIES' AGREEMENT, this Agreement has been signed on behalf of Canada by authorized representatives of the Minister of Indian Affairs and Northern Development, and on behalf of the GNWT by authorized representatives of the Minister of Environment and Natural Resources, and by the authorized representative of NATC.

MINISTER OF INDIAN AFFAIRS AND
NORTHERN DEVELOPMENT,
by his Authorized Representative

Name: _____

Title: _____

MINISTER OF ENVIRONMENT AND NATURAL
RESOURCES
by his Authorized Representative



Name: DR. RAY CHIS

Title: ASSISTANT DEPUTY MINISTER

NORTH AMERICAN TUNGSTEN CORPORATION LTD.
by its Authorized Representative

Name: _____

Title: _____

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AS EVIDENCE OF THE PARTIES' AGREEMENT, this Agreement has been signed on behalf of Canada by authorized representatives of the Minister of Indian Affairs and Northern Development, and on behalf of the GNWT by authorized representatives of the Minister of Environment and Natural Resources, and by the authorized representative of NATC.

**MINISTER OF INDIAN AFFAIRS AND
NORTHERN DEVELOPMENT,**
by his Authorized Representative

Name: _____

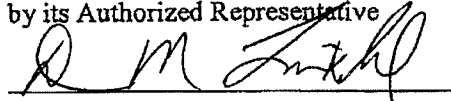
Title: _____

**MINISTER OF ENVIRONMENT AND NATURAL
RESOURCES**
by his Authorized Representative

Name: _____

Title: _____

NORTH AMERICAN TUNGSTEN CORPORATION LTD.
by its Authorized Representative



Name: Dennis M Lindahl

Title: CFO

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SCHEDULE "A"
PROMISSORY NOTES

PROMISSORY NOTE

\$2,200,000

May 25, 2005

WHEREAS North American Tungsten Corporation (NATC) is required to provide security for its obligations under a Reclamation Security Agreement between NATC and Her Majesty the Queen as represented by the Minister of Indian Affairs and Northern Development, (including as same may be amended, supplemented, revised, restated or replaced from time to time, the "RSA").

Capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to such terms in the RSA.

NOW THEREFORE FOR VALUE RECEIVED NATC hereby promises to pay to the order of the Minister the principal sum of Two Million Two Hundred Thousand Dollars (\$2,200,000) upon the occurrence of a Default.

The whole of the principal amount shall immediately become due and payable upon the occurrence of a Default.

NATC hereby waives diligence, demand, presentment, protest and notice of any kind, and assents to extensions of the time of payment, release, surrender or substitution of security, or forbearance or other indulgence, without notice. NATC agrees to pay all amounts of principal, interest, and fees under this Promissory Note without offset, deduction, claim, counterclaim, defense or recoupment, all of which are hereby waived by NATC.

In the event the Minister or any holder hereof shall retain or engage legal counsel to collect, enforce or protect its interests with respect to this Promissory Note, NATC shall pay all of the reasonable costs and expenses of such collection, enforcement or protection, including reasonable legal fees, whether or not suit is instituted.

This Promissory Note shall be governed by and construed in accordance with the laws of the province of British Columbia and shall be binding upon the successors and assigns of NATC and inure to the benefit of the Minister and its successors, endorsees and assigns. If any term or provision of this Promissory Note shall be held invalid, illegal or unenforceable, the validity of all other terms and provisions hereof shall in no way be affected thereby.

NORTH AMERICAN TUNGSTEN
CORPORATION

Per: Name: Stephen LeahyTitle: Chairman & CEOPer: Name: CHRISTINA SCOTTTitle: CORPORATE SECRETARY

PROMISSORY NOTE

,000,000

November 29, 2005

WHEREAS North American Tungsten Corporation (NATC) is required to provide security for its obligations under a Reclamation Security Agreement between NATC and Her Majesty the Queen as represented by the Minister of Indian Affairs and Northern Development, (including as same may be amended, supplemented, revised, restated or replaced from time to time, the "RSA").

Capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to such terms in the RSA.

NOW THEREFORE FOR VALUE RECEIVED NATC hereby promises to pay to the order of the Minister the principal sum of One Million Dollars (\$1,000,000) upon the occurrence of a Default.

The whole of the principal amount shall immediately become due and payable upon the occurrence of a Default.

NATC hereby waives diligence, demand, presentment, protest and notice of any kind, and assents to extensions of the time of payment, release, surrender or substitution of security, or forbearance or other indulgence, without notice. NATC agrees to pay all amounts of principal, interest, and fees under this Promissory Note without offset, deduction, claim, counterclaim, defense or recoupment, all of which are hereby waived by NATC.

In the event the Minister or any holder hereof shall retain or engage legal counsel to collect, enforce or protect its interests with respect to this Promissory Note, NATC shall pay all of the reasonable costs and expenses of such collection, enforcement or protection, including reasonable legal fees, whether or not suit is instituted.

This Promissory Note shall be governed by and construed in accordance with the laws of the province of British Columbia and shall be binding upon the successors and assigns of NATC and inure to the benefit of the Minister and its successors, endorsees and assigns. If any term or provision of this Promissory Note shall be held invalid, illegal or unenforceable, the validity of all other terms and provisions hereof shall in no way be affected thereby.

**NORTH AMERICAN TUNGSTEN
CORPORATION**

Per: _____

Name: _____

Title: _____

Per: _____

Name: _____

Title: _____

PROMISSORY NOTE

\$1,000,000

November 29, 2006

WHEREAS North American Tungsten Corporation Ltd. (NATC) is required to provide security for its obligations under a Reclamation Security Agreement between NATC and Her Majesty the Queen as represented by the Minister of Indian Affairs and Northern Development, (including as same may be amended, supplemented, revised, restated or replaced from time to time, the "RSA").

Capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to such terms in the RSA.

NOW THEREFORE FOR VALUE RECEIVED NATC hereby promises to pay to the order of the Minister the principal sum of One Million Dollars (\$1,000,000) upon the occurrence of a Default.

The whole of the principal amount shall immediately become due and payable upon the occurrence of a Default.

NATC hereby waives diligence, demand, presentment, protest and notice of any kind, and assents to extensions of the time of payment, release, surrender or substitution of security, or forbearance or other indulgence, without notice. NATC agrees to pay all amounts of principal, interest, and fees under this Promissory Note without offset, deduction, claim, counterclaim, defense or recoupment, all of which are hereby waived by NATC.

In the event the Minister or any holder hereof shall retain or engage legal counsel to collect, enforce or protect its interests with respect to this Promissory Note, NATC shall pay all of the reasonable costs and expenses of such collection, enforcement or protection, including reasonable legal fees, whether or not suit is instituted.

This Promissory Note shall be governed by and construed in accordance with the laws of the province of British Columbia and shall be binding upon the successors and assigns of NATC and inure to the benefit of the Minister and its successors, endorsees and assigns. If any term or provision of this Promissory Note shall be held invalid, illegal or unenforceable, the validity of all other terms and provisions hereof shall in no way be affected thereby.

**NORTH AMERICAN TUNGSTEN
CORPORATION LTD.**

Per: Name: *Stephen M. Leahy*Title: *CEO*Per: Name: *Christina P. Scott*Title: *Corporate Secretary*

PROMISSORY NOTE

\$1,200,000

July 1, 2009

WHEREAS North American Tungsten Corporation Ltd. ("NATC") is required to provide security for its obligations pursuant to a Class A Water License Number MV2002L2-0019 issued by the Mackenzie Valley Land and Water Board on the 30th of January 2009 ("Water License").

WHEREAS in accordance with the Water License NATC is required to provide security for its obligations.

NOW THEREFORE FOR VALUE RECEIVED NATC hereby promises to pay to the order of the Minister the principal sum of One Million and Two Hundred Thousand Dollars (\$1,200,000).

NATC hereby waives diligence, demand, presentment, protest and notice of any kind, and assents to extensions of the time of payment, release, surrender or substitution of security, or forbearance or other indulgence, without notice. NATC agrees to pay all amounts of principal, interest, and fees under this Promissory Note without offset, deduction, claim, counterclaim, defense or recoupment, all of which are hereby waived by NATC.

In the event the Minister or any holder hereof shall retain or engage legal counsel to collect, enforce or protect its interests with respect to this Promissory Note, NATC shall pay all of the reasonable costs and expenses of such collection, enforcement or protection, including reasonable legal fees, whether or not suit is instituted.

This Promissory Note shall be governed by and construed in accordance with the laws of the province of British Columbia and shall be binding upon the successors and assigns of NATC and inure to the benefit of the Minister and its successors, endorsees and assigns. If any term or provision of this Promissory Note shall be held invalid, illegal or unenforceable, the validity of all other terms and provisions hereof shall in no way be affected thereby.

**NORTH AMERICAN TUNGSTEN
CORPORATION LTD.**

Per: Name: *Stephen Leachy*Title: *CEO*Per: Name: *Christina Scott*Title: *Corp. Sec.*

AMENDED AND RESTATED PROMISSORY NOTE

\$947,839

September 1, 2010

WHEREAS North American Tungsten Corporation Ltd. ("NATC") is required to provide security for its obligations pursuant to a Class A Water License Number MV2002L2-0019 issued by the Mackenzie Valley Land and Water Board on the 30th of January 2009 as amended to the date hereof ("Water License");

AND WHEREAS in accordance with the Water License NATC is required to provide security for its obligations;

AND WHEREAS NATC delivered a promissory note in the amount of \$1,200,000 on February 1, 2010 (the "February 2010 Note") and as the result of amendments to the Water License, NATC's requirements to deliver security for such obligations has been reduced;

AND WHEREAS, NATC and Her Majesty the Queen in Right of Canada as represented by the Minister of Indian Affairs and Northern Development have entered into an Amended and Restated Security Agreement with respect to, *inter alia*, NATC's obligations to provide security for the Water License (the "RSA");

AND WHEREAS capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to such terms in the RSA;

AND WHEREAS, NATC and the Minister have agreed to amend and restate the February 2010 Note;

NOW THEREFORE FOR VALUE RECEIVED NATC hereby promises to pay to the order of the Minister the principal sum of nine hundred and forty-seven thousand and eight hundred and thirty-nine dollars (\$947,839).

NATC hereby waives diligence, demand, presentment, protest and notice of any kind, and assents to extensions of the time of payment, release, surrender or substitution of security, or forbearance or other indulgence, without notice. NATC agrees to pay all amounts of principal, interest, and fees under this Promissory Note without offset, deduction, claim, counterclaim, defense or recoupment, all of which are hereby waived by NATC.

In the event the Minister or any holder hereof shall retain or engage legal counsel to collect, enforce or protect its interests with respect to this Promissory Note, NATC shall pay all of the reasonable costs and expenses of such collection, enforcement or protection, including reasonable legal fees, whether or not suit is instituted.

This Promissory Note shall be governed by and construed in accordance with the laws of the province of British Columbia and shall be binding upon the successors and assigns of NATC and inure to the benefit of the Minister and its successors, endorsees and assigns. If any term or provision of this Promissory Note shall be held invalid, illegal or unenforceable, the validity of all other terms and provisions hereof shall in no way be affected thereby.

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NORTH AMERICAN TUNGSTEN
CORPORATION LTD.Per: 

Name: Stephen Leahy

Title: Chairman & CEO

Per: 

Name: Christina Scott

Title: Corporate Secretary

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SCHEDULE "B"
SUBORDINATION AGREEMENTS

SUBORDINATION AGREEMENT

WHEREAS:

- A. HER MAJESTY THE QUEEN IN RIGHT OF CANADA, as represented by the MINISTER OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT ("DIAND") has caused the following registrations (the "DIAND Registrations") to be effected in respect of the security interests granted by North American Tungsten Corporation Ltd. (the "Debtor") to DIAND pursuant to an amended and restated reclamation security agreement (including as same may be further amended, supplemented, revised or replaced from time to time, the "DIAND Agreement") dated as of August 24, 2010 entered into between the Debtor and DIAND:

<u>Jurisdiction</u>	<u>Registration No.</u>
Yukon PPR	91960
Notice to Third Parties filed with the Mining Recorder, Yellowknife, Northwest Territories	G22406 filed on November 8, 2010
Filing of the DIAND Agreement in the office of the Mining Recorder at Mayo, Yukon	RM01003 filed on November 19, 2010

- B. Wolfram Bergbau und Hütten AG ("WBH") has caused, or will cause, the following registrations (the "WBH Registrations") to be effected in respect of security interests granted to WBH by the Debtor under a security agreement (the "WBH Security") to secure certain present and future obligations of the Debtor to WBH:

<u>Jurisdiction of PPR</u>	<u>Date of Registration</u>	<u>Registration No.</u>
British Columbia	February 14, 2014	801024H
Northwest Territories	February 14, 2014	1101774
Yukon	February 13, 2014	76570
Filing of the WBH Security with the Mining Recorder, Yellowknife, Northwest Territories on March 4, 2014		G22597
Filing of the WBH Security in the office of the Mining Recorder at Mayo, Yukon on February 24, 2014		RM02211

NOW THEREFORE in consideration of the premises and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties agree as follows:

1. Notwithstanding the relative order of execution, registration, advance, delivery, attachment, possession, perfection or demand, the security interests of DIAND or WBH in and to the present and after-acquired assets of the Debtor, including, without limiting the generality of the foregoing security interests granted to DIAND pursuant to the DIAND Agreement and security interests granted to WBH pursuant to the WBH Security, the WBH security interests in any of the property, assets and undertakings of the Debtor of whatsoever nature and kind, now owned or hereafter acquired by or on behalf of the Debtor relating to the property owned and/or operated

acquired by or on behalf of the Debtor relating to the property owned and/or operated by the Debtor being known as the MacTung Mine or proceeds generated out of such property, assets and undertakings, including without limitation, as described on Schedule "C" of the DIAND Agreement (collectively, the **"DIAND Collateral"**) shall be subordinated and postponed to the security interests of DIAND in and to the DIAND Collateral in all respects.

2. The DIAND Agreement charges only the DIAND Collateral, and DIAND has no security interest in the assets of the Debtor, other than in respect of or pursuant to the DIAND Agreement.
3. In the event that, while the Debtor remains indebted to DIAND under the DIAND Agreement, WBH receives any distribution of assets or payment of any kind whatsoever from the Debtor or by and on behalf of the Debtor as the result of the WBH security interest in the DIAND Collateral, WBH shall hold such payment in trust as property of DIAND for the benefit of DIAND and shall immediately pay over or deliver to DIAND such asset or payment for application on the Debtor's obligations under the DIAND Agreement.
4. No failure by WBH or DIAND to exercise, and no delay by WBH or DIAND in exercising any right, remedy or power shall operate as a waiver thereof by WBH or DIAND nor shall any partial exercise of any right, remedy or power preclude any other or future exercise of any right, remedy or power.
5. Each of WBH and DIAND agrees that they will not dispute or contest the validity, enforceability, priority or perfection of any lien contained in or created by the WBH Security or the DIAND Security.
6. Each of WBH and DIAND shall execute such other deeds, agreements or documents and take such further actions, as may be necessary or desirable to give effect to the terms of this agreement.
7. This agreement shall enure to the benefit of the parties and their respective successors and assigns, and shall be binding upon the parties and their respective personal representatives, successors and assigns, as the case may be.
8. This agreement may be executed in any number of counterparts (including by way of facsimile and electronic PDF transmission) and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

DATED as of February 20, 2014.

HER MAJESTY THE QUEEN IN RIGHT OF
CANADA, as represented by THE MINISTER
OF INDIAN AFFAIRS AND NORTHERN
DEVELOPMENT

Per: 

Authorized Signatory

Feb 19, 2014

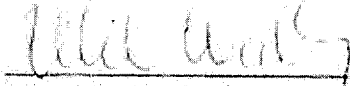
WOLFRAM BERGBAU UND HÜTTEN AG

Per: _____

Authorized Signatory

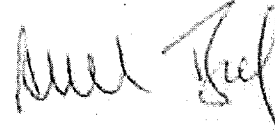
WOLFRAM BERGBAU UND HÜTTEN
AG

By:



Name: Ulrika Wedberg

Title: President – CEO



Armin Bock, Vice President

[Subordination Agreement]

SUBORDINATION AGREEMENT

WHEREAS:

- A. HER MAJESTY THE QUEEN IN RIGHT OF CANADA, as represented by the MINISTER OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT ("**DIAND**") has caused the following registrations (the "**DIAND Registrations**") to be effected in respect of the security interests granted by North American Tungsten Corporation Ltd. (the "**Debtor**") to DIAND pursuant to an amended and restated reclamation security agreement (including as same may be further amended, supplemented, revised or replaced from time to time, the "**DIAND Agreement**") dated as of August 24, 2010 entered into between the Debtor and DIAND:

<u>Jurisdiction</u>	<u>Registration No.</u>
Yukon PPR	91960
Notice to Third Parties filed with the Mining Recorder, Yellowknife, Northwest Territories	G22406 filed on November 8, 2010
Filing of the DIAND Agreement in the office of the Mining Recorder at Mayo, Yukon	RM01003 filed on November 19, 2010

- B. Ronald A. Erickson, CSM Investment Partnership, Bradley K. Erickson, Brian A. Erickson, Kurt and Beth Heikkila, Dennis M. Lindahl, Queenwood Capital Partners LLC, Scott R. Richardson, David S. Erickson and Queenwood Capital Partners II LLC (collectively, the "**Debentureholders**") have caused, or will cause, the following registrations (the "**Debentureholders Registrations**") to be effected in respect of security interests granted to the Debentureholders by the Debtor under a security agreement (the "**Debentureholders Security**") to secure certain present and future obligations of the Debtor to the Debentureholders:

<u>Jurisdiction of PPR</u>	<u>Date of Registration</u>	<u>Registration No.</u>
British Columbia	January 17, 2014	758732H
Northwest Territories	January 17, 2014	1095255
Yukon	January 23, 2014	72612
Notice to Third Parties filed with the Mining Recorder, Yellowknife, Northwest Territories on January 27, 2014		G22587
Filing of the Debentureholders Security in the office of the Mining Recorder at Mayo, Yukon on January 21, 2014		RM02208

NOW THEREFORE in consideration of the premises and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties agree as follows:

1. Notwithstanding the relative order of execution, registration, advance, delivery, attachment, possession, perfection or demand, the security interests of DIAND or the Debentureholders in and to the present and after-acquired assets of the Debtor, including, without limiting the generality of the foregoing security interests granted to DIAND pursuant to the DIAND Agreement and security interests granted to the Debentureholders pursuant to the Debentureholders Security, the Debentureholders security interests in any of the property, assets and undertakings of the Debtor of whatsoever nature and kind, now owned or hereafter acquired by or on behalf of the Debtor relating

to the property owned and/or operated by the Debtor being known as the MacTung Mine or proceeds generated out of such property, assets and undertakings, including without limitation, as described on Schedule "C" of the DIAND Agreement (collectively, the "DIAND Collateral") shall be subordinated and postponed to the security interests of DIAND in and to the DIAND Collateral in all respects.

2. The DIAND Agreement charges only the DIAND Collateral, and DIAND has no security interest in the assets of the Debtor, other than in respect of or pursuant to the DIAND Agreement.
3. In the event that, while the Debtor remains indebted to DIAND under the DIAND Agreement, any of the Debentureholders receives any distribution of assets or payment of any kind whatsoever from the Debtor or by and on behalf of the Debtor as the result of the Debentureholders security interest in the DIAND Collateral, such Debentureholder shall hold such payment in trust as property of DIAND for the benefit of DIAND and shall immediately pay over or deliver to DIAND such asset or payment for application on the Debtor's obligations under the DIAND Agreement.
4. No failure by the Debentureholders or DIAND to exercise, and no delay by the Debentureholders or DIAND in exercising any right, remedy or power shall operate as a waiver thereof by the Debentureholders or DIAND nor shall any partial exercise of any right, remedy or power preclude any other or future exercise of any right, remedy or power.
5. Each of the Debentureholders and DIAND agrees that they will not dispute or contest the validity, enforceability, priority or perfection of any lien contained in or created by the Debentureholders Security or the DIAND Security.
6. Each of the Debentureholders and DIAND shall execute such other deeds, agreements or documents and take such further actions, as may be necessary or desirable to give effect to the terms of this agreement.
7. This agreement shall enure to the benefit of the parties and their respective successors and assigns, and shall be binding upon the parties and their respective personal representatives, successors and assigns, as the case may be.
8. This agreement may be executed in any number of counterparts (including by way of facsimile and electronic PDF transmission) and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

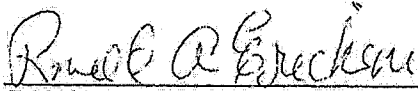
DATED as of Jan. 23, 2014

HER MAJESTY THE QUEEN IN RIGHT OF
CANADA, as represented by THE MINISTER
OF INDIAN AFFAIRS AND NORTHERN
DEVELOPMENT

Per:

Authorized Signatory

Mohan Dene Ho
Director, Northern
Mineral Resources



RONALD A. ERICKSON

DENNIS M. LINDAHL

CSM INVESTMENT PARTNERSHIP

QUEENWOOD CAPITAL PARTNERS LLC

By: _____
Authorized Signatory

By: _____
Authorized Signatory

BRADLEY K. ERICKSON

SCOTT R. RICHARDSON

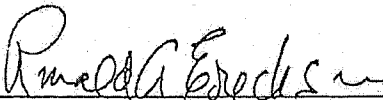
BRIAN A. ERICKSON

DAVID S. ERICKSON

KURT HEIKKILA

BETH HEIKKILA

QUEENWOOD CAPITAL PARTNERS II LLC


By: 
Authorized Signatory

RONALD A. ERICKSON

DENNIS M. LINDAHL

CSM INVESTMENT PARTNERSHIP

QUEENWOOD CAPITAL PARTNERS LLC

By: 

Authorized Signatory
Carolyn A. Erickson

By: _____
Authorized Signatory

BRADLEY K. ERICKSON

SCOTT R. RICHARDSON

BRIAN A. ERICKSON

DAVID S. ERICKSON

KURT HEIKKILA

BETH HEIKKILA

QUEENWOOD CAPITAL PARTNERS II LLC

By: _____
Authorized Signatory

RONALD A. ERICKSON



DENNIS M. LINDAHL

CSM INVESTMENT PARTNERSHIP

QUEENWOOD CAPITAL PARTNERS LLC

By: _____
Authorized Signatory

By: 

Authorized Signatory

BRADLEY K. ERICKSON

SCOTT R. RICHARDSON

BRIAN A. ERICKSON

DAVID S. ERICKSON

KURT HEIKKILA

BETH HEIKKILA

QUEENWOOD CAPITAL PARTNERS II LLC

By: _____
Authorized Signatory

RONALD A. ERICKSON


DENNIS M. LINDAHL

CSM INVESTMENT PARTNERSHIP

QUEENWOOD CAPITAL PARTNERS LLC

By: _____
Authorized Signatory

By: _____
Authorized Signatory



BRADLEY K. ERICKSON

SCOTT R. RICHARDSON

BRIAN A. ERICKSON

DAVID S. ERICKSON

KURT HEIKKILA

BETH HEIKKILA

QUEENWOOD CAPITAL PARTNERS II LLC

By: _____
Authorized Signatory

RONALD A. ERICKSON

DENNIS M. LINDAHL

CSM INVESTMENT PARTNERSHIP

QUEENWOOD CAPITAL PARTNERS LLC

By: _____
Authorized Signatory

By: _____
Authorized Signatory

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SCOTT R. RICHARDSON

BRIAN A. ERICKSON

DAVID S. ERICKSON

KURT HEIKKILA

BETH HEIKKILA

QUEENWOOD CAPITAL PARTNERS II LLC

By: _____
Authorized Signatory

RONALD A. ERICKSON

CSM INVESTMENT PARTNERSHIP

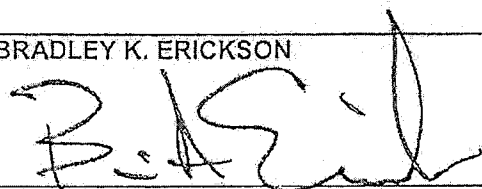
By: _____
Authorized Signatory

DENNIS M. LINDAHL

QUEENWOOD CAPITAL PARTNERS LLC

By: _____
Authorized Signatory

BRADLEY K. ERICKSON



BRIAN A. ERICKSON

SCOTT R. RICHARDSON

DAVID S. ERICKSON

KURT HEIKKILA

BETH HEIKKILA

QUEENWOOD CAPITAL PARTNERS II LLC

By: _____
Authorized Signatory

RONALD A. ERICKSON

CSM INVESTMENT PARTNERSHIP

By: _____
Authorized Signatory

BRADLEY K. ERICKSON

BRIAN A. ERICKSON

KURT HEIKKILA

BETH HEIKKILA

QUEENWOOD CAPITAL PARTNERS II LLC

By: _____
Authorized Signatory

DENNIS M. LINDAHL

QUEENWOOD CAPITAL PARTNERS LLC

By: _____
Authorized Signatory

SCOTT R. RICHARDSON



DAVID S. ERICKSON

RONALD A. ERICKSON

DENNIS M. LINDAHL

CSM INVESTMENT PARTNERSHIP

QUEENWOOD CAPITAL PARTNERS LLC

By: _____
Authorized Signatory

By: _____
Authorized Signatory

BRADLEY K. ERICKSON

SCOTT R. RICHARDSON

BRIAN A. ERICKSON

DAVID S. ERICKSON



KURT HEIKKILA



BETH HEIKKILA

QUEENWOOD CAPITAL PARTNERS II LLC

By: _____
Authorized Signatory

SUBORDINATION AGREEMENT

WHEREAS:

- A. HER MAJESTY THE QUEEN IN RIGHT OF CANADA, as represented by the MINISTER OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT ("DIAND") has caused the following registrations (the "DIAND Registrations") to be effected in respect of the security interests granted by North American Tungsten Corporation Ltd. (the "Debtor") to DIAND pursuant to an amended and restated reclamation security agreement (including as same may be further amended, supplemented, revised or replaced from time to time, the "DIAND Agreement") dated as of August 24, 2010 entered into between the Debtor and DIAND:

<u>Jurisdiction</u>	<u>Registration No.</u>
Yukon PPR	91960
Notice to Third Parties filed with the Mining Recorder, Yellowknife, Northwest Territories	G22406 filed on November 8, 2010
Filing of the DIAND Agreement in the office of the Mining Recorder at Mayo, Yukon	RM01003 filed on November 19, 2010

- B. Global Tungsten & Powders Corp. ("GTP") has caused, or will cause, the following registrations (the "GTP Registrations") to be effected in respect of security interests granted to GTP by the Debtor under a security agreement (the "GTP Security") to secure certain present and future obligations of the Debtor to GTP:

<u>Jurisdiction of PPR</u>	<u>Date of Registration</u>	<u>Registration No.</u>
British Columbia	December 18, 2013	717333H
Northwest Territories	December 18, 2013	1089244
Yukon	December 18, 2013	67900
Notice to Third Parties filed with the Mining Recorder, Yellowknife, Northwest Territories on January 27, 2014		G22585
Filing of the GTP Security in the office of the Mining Recorder at Mayo, Yukon on January 8, 2014		RM02207

NOW THEREFORE in consideration of the premises and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties agree as follows:

- Notwithstanding the relative order of execution, registration, advance, delivery, attachment, possession, perfection or demand, the security interests of DIAND or GTP in and to the present and after-acquired assets of the Debtor, including, without limiting the generality of the foregoing security interests granted to DIAND pursuant to the DIAND Agreement and security interests granted to GTP pursuant to the GTP Security, the GTP security interests in any of the property, assets and undertakings of the Debtor of whatsoever nature and kind, now owned or hereafter acquired by or on behalf of the Debtor relating to the property owned and/or operated by the Debtor being known as the MacTung Mine or proceeds generated out of such property, assets and undertakings, including without limitation, as described on Schedule "C" of the

DIAND Agreement (collectively, the "DIAND Collateral") shall be subordinated and postponed to the security interests of DIAND in and to the DIAND Collateral in all respects.

2. The DIAND Agreement charges only the DIAND Collateral, and DIAND has no security interest in the assets of the Debtor, other than in respect of or pursuant to the DIAND Agreement.
3. In the event that, while the Debtor remains indebted to DIAND under the DIAND Agreement, GTP receives any distribution of assets or payment of any kind whatsoever from the Debtor or by and on behalf of the Debtor as the result of the GTP security interest in the DIAND Collateral, GTP shall hold such payment in trust as property of DIAND for the benefit of DIAND and shall immediately pay over or deliver to DIAND such asset or payment for application on the Debtor's obligations under the DIAND Agreement.
4. No failure by GTP or DIAND to exercise, and no delay by GTP or DIAND in exercising any right, remedy or power shall operate as a waiver thereof by GTP or DIAND nor shall any partial exercise of any right, remedy or power preclude any other or future exercise of any right, remedy or power.
5. Each of GTP and DIAND agrees that they will not dispute or contest the validity, enforceability, priority or perfection of any lien contained in or created by the GTP Security or the DIAND Security.
6. Each of GTP and DIAND shall execute such other deeds, agreements or documents and take such further actions, as may be necessary or desirable to give effect to the terms of this agreement.
7. This agreement shall enure to the benefit of the parties and their respective successors and assigns, and shall be binding upon the parties and their respective personal representatives, successors and assigns, as the case may be.
8. This agreement may be executed in any number of counterparts (including by way of facsimile and electronic PDF transmission) and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

DATED as of Dec 11, 2013.

HER MAJESTY THE QUEEN IN RIGHT OF
CANADA, as represented by THE MINISTER
OF INDIAN AFFAIRS AND NORTHERN
DEVELOPMENT

Per: *Me Inten*
Authorized Signatory

GLOBAL TUNGSTEN & POWDERS CORP.

Per: _____
Authorized Signatory

DIAND Agreement (collectively, the "DIAND Collateral") shall be subordinated and postponed to the security interests of DIAND in and to the DIAND Collateral in all respects.

2. The DIAND Agreement charges only the DIAND Collateral, and DIAND has no security interest in the assets of the Debtor, other than in respect of or pursuant to the DIAND Agreement.
3. In the event that, while the Debtor remains indebted to DIAND under the DIAND Agreement, GTP receives any distribution of assets or payment of any kind whatsoever from the Debtor or by and on behalf of the Debtor as the result of the GTP security interest in the DIAND Collateral, GTP shall hold such payment in trust as property of DIAND for the benefit of DIAND and shall immediately pay over or deliver to DIAND such asset or payment for application on the Debtor's obligations under the DIAND Agreement.
4. No failure by GTP or DIAND to exercise, and no delay by GTP or DIAND in exercising any right, remedy or power shall operate as a waiver thereof by GTP or DIAND nor shall any partial exercise of any right, remedy or power preclude any other or future exercise of any right, remedy or power.
5. Each of GTP and DIAND agrees that they will not dispute or contest the validity, enforceability, priority or perfection of any lien contained in or created by the GTP Security or the DIAND Security.
6. Each of GTP and DIAND shall execute such other deeds, agreements or documents and take such further actions, as may be necessary or desirable to give effect to the terms of this agreement.
7. This agreement shall enure to the benefit of the parties and their respective successors and assigns, and shall be binding upon the parties and their respective personal representatives, successors and assigns, as the case may be.
8. This agreement may be executed in any number of counterparts (including by way of facsimile and electronic PDF transmission) and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

DATED as of Dec. 19, 2013.

HER MAJESTY THE QUEEN IN RIGHT OF
CANADA, as represented by THE MINISTER
OF INDIAN AFFAIRS AND NORTHERN
DEVELOPMENT

Per: _____
Authorized Signatory

GLOBAL TUNGSTEN & POWDERS CORP.

Per: Andreas Lockner
Authorized Signatory
Andreas Lockner
President / CEO
Eric Rowe
Eric Rowe
Finance Director

QUEENWOOD CAPITAL SUBORDINATION AGREEMENT

WHEREAS:

- A. HER MAJESTY THE QUEEN IN RIGHT OF CANADA, as represented by the MINISTER OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT ("DIAND") has caused the following registrations (the "DIAND Registrations") to be effected in respect of the security interests granted by North American Tungsten Corporation Ltd. (the "Debtor") to DIAND pursuant to an amended and restated reclamation security agreement (including as same may be further amended, supplemented, revised or replaced from time to time, the "DIAND Agreement") dated as of August 24, 2010 entered into between the Debtor and DIAND:

<u>Jurisdiction</u>	<u>Registration No.</u>
Northwest Territories PPR	386839
Yukon PPR	03068 (as amended on October 25, 2010) (an additional registration was made on October 12, 2010 under no. 91960)
Notice to Third Parties filed with the Mining Recorder, Yellowknife, Northwest Territories	G22406 filed on November 8, 2010
Filing of the DIAND Agreement in the office of the Mining Recorder at Mayo, Yukon	RM01003 filed on November 19, 2010

- B. Queenwood Capital Partners II LLC ("Queenwood") has caused, or will cause, the following registrations (the "Queenwood Registrations") to be effected in respect of security interests granted to Queenwood by the Debtor under a security agreement (the "Queenwood Security") to secure certain present and future obligations of the Debtor to Queenwood:

<u>Jurisdiction of PPR</u>	<u>Date of Registration</u>	<u>Registration No.</u>
British Columbia	<u>April 17, 2013</u>	<u>297553H</u>
Northwest Territories	<u>April 18, 2013</u>	<u>1031485</u>
Yukon	<u>April 26, 2013</u>	<u>15131</u>
Filing of the Queenwood Security with the Mining Recorder, Yellowknife, Northwest Territories on the 30 th day of May, 2013		<u>G22558</u>
Filing of the Queenwood Security in the office of the Mining Recorder at Mayo, Yukon on the 24 th day of May, 2013		<u>RM02168</u>

NOW THEREFORE in consideration of the premises and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties agree as follows:


- Notwithstanding the relative order of execution, registration, advance, delivery, attachment, possession, perfection or demand, the security interests of DIAND or Queenwood in and to the present and after-acquired assets of the Debtor, including, without limiting the generality of the foregoing security interests granted to DIAND pursuant to the DIAND Agreement and security interests granted to Queenwood pursuant to the Queenwood Security, the Queenwood security interests in any of the property, assets and undertakings of the Debtor of whatsoever nature and kind, now owned or hereafter acquired by or on behalf of the Debtor relating to the property owned and/or operated by the Debtor being known as the Mactung Mine or proceeds generated out of such property, assets and

(collectively, the "DIAND Collateral") shall be subordinated and postponed to the security interests of DIAND in and to the DIAND Collateral in all respects.

2. The DIAND Agreement charges only the DIAND Collateral, and DIAND has no security interest in the assets of the Debtor, other than in respect of or pursuant to the DIAND Agreement.
3. In the event that, while the Debtor remains indebted to DIAND under the DIAND Agreement, Queenwood receive any distribution of assets or payment of any kind whatsoever from the Debtor or by and on behalf of the Debtor as the result of the Queenwood security interest in the DIAND Collateral, Queenwood shall hold such payment in trust as property of DIAND for the benefit of DIAND and shall immediately pay over or deliver to DIAND such asset or payment for application on the Debtor's obligations under the DIAND Agreement.
4. No failure by Queenwood or DIAND to exercise, and no delay by Queenwood or DIAND in exercising any right, remedy or power shall operate as a waiver thereof by Queenwood or DIAND nor shall any partial exercise of any right, remedy or power preclude any other or future exercise of any right, remedy or power.
5. Each of Queenwood and DIAND agrees that they will not dispute or contest the validity, enforceability, priority or perfection of any lien contained in or created by the Queenwood Security or the DIAND Security.
6. Each of Queenwood and DIAND shall execute such other deeds, agreements or documents and take such further actions, as may be necessary or desirable to give effect to the terms of this agreement.
7. This agreement shall enure to the benefit of the parties and their respective successors and assigns, and shall be binding upon the parties and their respective personal representatives, successors and assigns, as the case may be.
8. This agreement may be executed in any number of counterparts (including by way of facsimile and electronic PDF transmission) and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

DATED as of May 23, 2013.

**HER MAJESTY THE QUEEN IN RIGHT OF
CANADA, as represented by THE MINISTER
OF INDIAN AFFAIRS AND NORTHERN
DEVELOPMENT**

Per: 
Authorized Signatory

QUEENWOOD CAPITAL PARTNERS II LLC

Per: _____
Authorized Signatory

(collectively, the "DIAND Collateral") shall be subordinated and postponed to the security interests of DIAND in and to the DIAND Collateral in all respects.

2. The DIAND Agreement charges only the DIAND Collateral, and DIAND has no security interest in the assets of the Debtor, other than in respect of or pursuant to the DIAND Agreement.
3. In the event that, while the Debtor remains indebted to DIAND under the DIAND Agreement, Queenwood receive any distribution of assets or payment of any kind whatsoever from the Debtor or by and on behalf of the Debtor as the result of the Queenwood security interest in the DIAND Collateral, Queenwood shall hold such payment in trust as property of DIAND for the benefit of DIAND and shall immediately pay over or deliver to DIAND such asset or payment for application on the Debtor's obligations under the DIAND Agreement.
4. No failure by Queenwood or DIAND to exercise, and no delay by Queenwood or DIAND in exercising any right, remedy or power shall operate as a waiver thereof by Queenwood or DIAND nor shall any partial exercise of any right, remedy or power preclude any other or future exercise of any right, remedy or power.
5. Each of Queenwood and DIAND agrees that they will not dispute or contest the validity, enforceability, priority or perfection of any lien contained in or created by the Queenwood Security or the DIAND Security.
6. Each of Queenwood and DIAND shall execute such other deeds, agreements or documents and take such further actions, as may be necessary or desirable to give effect to the terms of this agreement.
7. This agreement shall enure to the benefit of the parties and their respective successors and assigns, and shall be binding upon the parties and their respective personal representatives, successors and assigns, as the case may be.
8. This agreement may be executed in any number of counterparts (including by way of facsimile and electronic PDF transmission) and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

DATED as of May 23, 2013.

**HER MAJESTY THE QUEEN IN RIGHT OF
CANADA, as represented by THE MINISTER
OF INDIAN AFFAIRS AND NORTHERN
DEVELOPMENT**

Per: _____
Authorized Signatory

QUEENWOOD CAPITAL PARTNERS II LLC

Per: 
Authorized Signatory

SECOND AMENDED AND RESTATED SUBORDINATION AGREEMENT**WHEREAS:**

- A. HER MAJESTY THE QUEEN IN RIGHT OF CANADA, as represented by the MINISTER OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT ("DIAND") has caused, or will cause, the following registrations (the "DIAND Registrations") to be effected in respect of the security interests granted by North American Tungsten Corporation Ltd. (the "Debtor") to DIAND pursuant to an amended and restated reclamation security agreement (including as same may be further amended, supplemented, revised or replaced from time to time, the "DIAND Agreement") dated as of August 24, 2010 entered into between the Debtor and DIAND:

<u>Jurisdiction</u>	<u>Registration No.</u>
Northwest Territories PPR	386839
Yukon PPR	03068 (an additional registration will be made on or about August 24, 2010)
Notice to Third Parties to be filed with the Mining Recorder, Yellowknife, Northwest Territories	to be completed
Filing of the DIAND Agreement with the Yukon Mining Recorder	to be completed

- B. HSBC Bank Canada (the "Bank") has caused the following registrations (the "HSBC Registrations") to be effected in respect of security interests granted to the Bank by the Debtor under a security agreement (the "Bank Security") to secure credit facilities made available by the Bank to the Debtor from time to time:

<u>Jurisdiction of PPR</u>	<u>Date of Registration</u>	<u>Registration No.</u>
British Columbia	March 1, 2006	868920C
Northwest Territories	March 6, 2006	403758
Yukon	March 2, 2006	2006/03/02 03522

- C. DIAND provided an amended and restated subordination agreement in favour of the Bank dated as of June 24, 2009 (the "First Restated Subordination Agreement") and the Bank and DIAND wish to further amend and restate the First Restated Subordination Agreement.

NOW THEREFORE in consideration of the premises and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereby agree as follows:

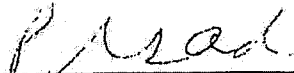
- I. Notwithstanding the relative order of execution, registration, advance, delivery, attachment, possession, perfection or demand, the security interests of DIAND or the Bank in and to the present and after acquired assets of the Debtor, including, without limiting the generality of the foregoing security interests granted to DIAND pursuant to the DIAND Agreement and security interests granted to the Bank pursuant to the Bank Security, the Bank's security interests in all of the property assets and undertakings of the Debtor of whatsoever nature and kind, now owned or hereafter acquired by or on behalf of the Debtor relating to the property owned and/or operated by the Debtor being known as the Mactung Mine or proceeds generated out of such property, assets and undertakings, including without limitation, as described on Schedule "C" of the

DIAND Agreement (collectively, the "DIAND Collateral") shall be subordinated and postponed to the security interests of DIAND in and to the DIAND Collateral in all respects.

2. The DIAND Agreement charges only the DIAND Collateral, and DIAND has no security interest in the assets of the Debtor, other than in respect of or pursuant to the DIAND Agreement.
3. In the event that, while the Debtor remains indebted to DIAND under the DIAND Agreement, the Bank receives any distribution of assets or payment of any kind whatsoever from the Debtor or by and on behalf of the Debtor as the result of the Bank's security interest in the DIAND Collateral, the Bank shall hold such payment in trust as property of DIAND for the benefit of DIAND and shall immediately pay over or deliver to DIAND such asset or payment for application on the Debtor's obligations under the DIAND Agreement.
4. No failure by the Bank or DIAND to exercise, and no delay by the Bank or DIAND in exercising any right, remedy or power shall operate as a waiver thereof by the Bank or DIAND nor shall any partial exercise of any right, remedy or power preclude any other or future exercise of any right, remedy or power.
5. Each of the Bank and DIAND agrees that it will not dispute or contest the validity, enforceability, priority or perfection of any lien contained in or created by the Bank Security or the DIAND Security.
6. Each of the Bank and DIAND shall execute such other deeds, agreements or documents and take such further actions, as may be necessary or desirable to give effect to the terms of this agreement.
7. This agreement shall enure to the benefit of the parties and their respective successors and assigns, and shall be binding upon the parties and their respective personal representatives, successors and assigns, as the case may be.
8. This agreement may be executed in any number of counterparts (including by way of facsimile and electronic PDF transmission) and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

DATED as of August 24, 2010.

**HER MAJESTY THE QUEEN IN RIGHT OF
CANADA, as represented by THE MINISTER
OF INDIAN AFFAIRS AND NORTHERN
DEVELOPMENT**

Per: 

HSBC BANK CANADA

Per: _____

- 2 -

and postponed to the security interests of DIAND in and to the DIAND Collateral in all respects.

2. The DIAND Agreement charges only the DIAND Collateral, and DIAND has no security interest in the assets of the Debtor, other than in respect of or pursuant to the DIAND Agreement.
3. In the event that, while the Debtor remains indebted to DIAND under the DIAND Agreement, the Bank receives any distribution of assets or payment of any kind whatsoever from the Debtor or by and on behalf of the Debtor as the result of the Bank's security interest in the DIAND Collateral, the Bank shall hold such payment in trust as property of DIAND for the benefit of DIAND and shall immediately pay over or deliver to DIAND such asset or payment for application on the Debtor's obligations under the DIAND Agreement.
4. No failure by the Bank or DIAND to exercise, and no delay by the Bank or DIAND in exercising any right, remedy or power shall operate as a waiver thereof by the Bank or DIAND nor shall any partial exercise of any right, remedy or power preclude any other or future exercise of any right, remedy or power.
5. Each of the Bank and DIAND agrees that it will not dispute or contest the validity, enforceability, priority or perfection of any lien contained in or created by the Bank Security or the DIAND Security.
6. Each of the Bank and DIAND shall execute such other deeds, agreements or documents and take such further actions, as may be necessary or desirable to give effect to the terms of this agreement.
7. This agreement shall enure to the benefit of the parties and their respective successors and assigns, and shall be binding upon the parties and their respective personal representatives, successors and assigns, as the case may be.
8. This agreement may be executed in any number of counterparts (including by way of facsimile and electronic PDF transmission) and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

DATED as of August 24, 2010.

**HER MAJESTY THE QUEEN IN RIGHT OF
CANADA, as represented by THE MINISTER
OF INDIAN AFFAIRS AND NORTHERN
DEVELOPMENT**

Per: _____

HSBC BANK CANADA

Per: _____

MICHAEL SZETO
SENIOR ACCOUNT MANAGER
COMMERCIAL BANKING

AMENDED AND RESTATED SUBORDINATION AGREEMENT

TO: HSBC BANK CANADA (the "Bank")

RE: NORTH AMERICAN TUNGSTEN CORPORATION LTD. (the "Debtor")

WHEREAS:

- A. The undersigned, HER MAJESTY THE QUEEN IN RIGHT OF CANADA, as represented by the MINISTER OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT ("DIAND") has caused the following registrations (the "DIAND Registrations") to be effected under the Personal Property Security Acts of British Columbia, the Northwest Territories and the Yukon Territory in respect of the security interests granted by the Debtor to DIAND pursuant to a reclamation security agreement (the "DIAND Agreement") dated as of May 31, 2005 entered into between the Debtor and DIAND:

<u>Personal Property Registry</u>	<u>Registration Date</u>	<u>Registration Number</u>
British Columbia	April 25, 2005	309390C
Yukon Territory	March 2, 2006	03068
Northwest Territories	December 6, 2005	386839

- B. DIAND provided a subordination agreement in favour of the Bank dated as of April 21, 2006 (the "Original Subordination Agreement") and the Bank and DIAND wish to amend and restate the Original Subordination Agreement.

- C. The Bank and the Debtor have requested, and DIAND has agreed to postpone the security interests granted to DIAND by the Debtor under the DIAND Agreement to the security interests of the Bank in and to the assets of the Debtor under a security agreement (the "Bank Security") granted by the Debtor in favour of the Bank to secure a \$6,000,000 operating loan, and evidenced by the following registrations (the "Bank Registrations") effected under the Personal Property Security Acts of British Columbia, the Northwest Territories and the Yukon Territory:

<u>Personal Property Registry</u>	<u>Registration Date</u>	<u>Registration Number</u>
British Columbia	March 1, 2006	868920C
British Columbia	March 14, 2007	553498D
British Columbia	December 22, 2008	755149E
British Columbia	June 4, 2009	005647F
Yukon Territory	March 2, 2006	03522
Northwest Territories	March 6, 2006	403758

NOW THEREFORE in consideration of the premises and the sum of \$10.00 now paid by the Bank to DIAND and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), DIAND hereby agrees with the Bank as follows:

- 2 -

1. DIAND has no security interest in the assets of the Debtor other than the security interests granted to DIAND pursuant to the DIAND Agreement.
2. Notwithstanding the relative order of execution, registration, advance, delivery, attachment, possession, perfection or demand, the security interests of DIAND in and to the present and after acquired assets of the Debtor, including, without limiting the generality of the foregoing and notwithstanding the reference to \$5,000,000 in Section 3.2(b)(iv) of the DIAND Agreement, the security interests granted to DIAND pursuant to the DIAND Agreement, shall be subordinated to the security interests of the Bank in and to the present and after acquired assets of the Debtor granted to the Bank pursuant to the Bank Security to a maximum principal amount of \$6,000,000.
3. DIAND authorizes the Bank's solicitors to sign and file or arrange for filing in the Personal Property Registries of British Columbia, the Northwest Territories and the Yukon Territory financing change statements amending each of the DIAND Registrations to evidence the subordination of the DIAND Registrations to the Bank Registrations, in each case using the following wording and referencing the corresponding registration number of the Bank Registration:

"THIS REGISTRATION HAS BEEN SUBORDINATED TO THE REGISTRATION BEARING REGISTRATION NO. ● IN ACCORDANCE WITH THE TERMS OF AN AMENDED AND RESTATED SUBORDINATION AGREEMENT DATED AS OF JUNE ●, 2009 EXECUTED BY THE SECURED PARTY IN FAVOUR OF HSBC BANK CANADA."
4. This agreement shall enure to the benefit of the Bank and its successors and assigns, and shall be binding upon DIAND and the personal representatives, successors and assigns, as the case may be, of DIAND.

DATED this 24th day of June, 2009.

Minister of Indian Affairs and Northern
Development, on behalf of Her Majesty
The Queen in right of Canada

Per: _____



Witness

- 8 -

SCHEDULE "C"

AMENDED AND RESTATED RECLAMATION SECURITY AGREEMENT

DATED AUGUST 24, 2010

HER MAJESTY THE QUEEN IN RIGHT OF CANADA

AND

NORTH AMERICAN TUNGSTEN CORPORATION LTD.

AMENDED AND RESTATED RECLAMATION SECURITY AGREEMENT

Dated August 24, 2010

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AMENDED AND RESTATED RECLAMATION SECURITY AGREEMENT

This Agreement made as of the 24 day of August, 2010.

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF CANADA as
represented by the Minister of Indian Affairs and Northern
Development

(hereinafter referred to as "**DIAND**")

AND

**NORTH AMERICAN TUNGSTEN CORPORATION
LTD.**, a corporation incorporated in accordance with the laws of
Canada

(hereinafter referred to as "**NATC**")

WHEREAS DIAND and NATC entered into a reclamation security agreement dated
as of May 31, 2005 (the "**Original RSA**"); and

AND WHEREAS the Water License (as defined in the Original RSA) has been
replaced with the Water License (as herein defined); and

AND WHEREAS DIAND and NATC desire to amend and restate the Original RSA
in order to, *inter alia*, amend arrangements for the posting of security in support of the Water
License in accordance with the terms hereof; and

NOW, THEREFORE, in consideration of the premises and the covenants herein
contained and other good and valuable consideration, NATC and DIAND covenant and
agree as follows:

ARTICLE 1

INTERPRETATION

1.1 Definitions

In this Agreement the following terms shall have the meanings ascribed to them below:

"Acceptable Letters of Credit" means a letter(s) of credit in favour of the Minister
and in form and substance satisfactory to the Minister.

"Agreement" means this agreement and all schedules, if any, attached to this agreement, in each case as they may be supplemented, amended, restated or otherwise modified from time to time, and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this agreement, and unless otherwise indicated, references to Articles and sections are to the specified Articles and sections in this agreement;

"Arbitration Committee" has the meaning ascribed to in Section 4.7 hereof.

"Canada Mining Regulations" means the Canada Mining Regulations made pursuant to the *Territorial Lands Act* (Canada), including any amendments or successor legislation.

"Cantung Mine" means the Mine leased and operated by NATC in Tungsten, Northwest Territories, Canada, known as the "Cantung Mine".

"Cash Security" means, at any time, the aggregate amount of the Existing Cash, Acceptable Letters of Credit and/or deposits into the RST held as Security for the Reclamation Obligations in accordance with Section 2.1(a) at such time.

"Cash to Promissory Notes Proportion" means, at any time, the result, expressed as a percentage, of dividing the amount of Cash Security at such time by the amount of Total Security at such time.

"CCAA" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.

"Collateral" has the meaning ascribed to it in Section 3.1.

"Default" has the meaning ascribed to it in Section 3.4.

"DIAND" means Her Majesty the Queen In Right of Canada, as represented by the Minister of Indian Affairs and Northern Development.

"Distributed Amounts" means in respect of any Fiscal Year,

- (i) the aggregate amount of:
 - (A) all dividends and other distributions made in cash by NATC during such Fiscal Year to any of its Shareholders in connection with their direct or indirect shareholdings in NATC; and
 - (B) all other payments made in cash by NATC to its Significant Shareholders, directors, managers or any other related persons during such Fiscal Year,
- (ii) provided that:

- (A) any payment made under the Exempt Agreements,
- (B) any payment made in cash or otherwise to directors or managers of NATC which is below the upper range of annual payments identified in the Industry Compensation Survey for such Fiscal Year for corporate positions substantially similar (in the opinion of DIAND, acting reasonably) to those of such directors or managers,
- (C) dividends paid by NATC on any issued preferred shares whose issuance has been approved in writing by DIAND, and
- (D) interest payable on outstanding debentures issued by NATC after the date of this Agreement and on terms approved in writing by DIAND

shall, in each case, not be considered Distributed Amounts.

"Excess Cash Flow Amount" has the meaning ascribed to it in Section 2.1(a)(ii).

"Excess Distributed Amount" has the meaning set out in Section 2.1(a)(iii).

"Exempt Agreements" means royalty agreements in place with Teck Resources Limited as of the date of this Agreement or such other transactions entered into after the date hereof in the ordinary course of business of NATC on arm's length commercial terms, and which DIAND has from time to time agreed to, acting reasonably.

"Existing Cash" means the cash held by DIAND as of the date hereof and described on Schedule "C".

"Existing Notes" means the promissory notes held by DIAND at the date hereof and described on Schedule "C".

"Fiscal Year" means the fiscal year of NATC from time to time. The current Fiscal Year ends on September 30, 2010.

"Free Cash Flow" means, in respect of any Fiscal Year, NATC's cash flow from operating activities (after changes in non-cash working capital) as identified on NATC's consolidated statement of cash flow delivered in accordance with Section 2.3(a) in respect of any Fiscal Year,

plus any exploration expenditures that have been incurred by NATC in respect of properties not owned, directly or indirectly, fully or partially, by NATC as at the date of this the Original RSA;

plus any proceeds received or receivable by NATC, in cash or otherwise, from the sale of any property, plant, equipment or mineral property interest,

less any expenditures of NATC with respect to property, deferred mining costs, plant, equipment and mineral property interests,

plus any expenditures of NATC on property, deferred mining costs, plant, equipment and mineral property interests with respect to properties not owned, directly or indirectly, fully or partially, by NATC as at the date of this Agreement,

plus any amounts drawn by NATC under its Working Capital Facility,

less any repayments of the Working Capital Facility.

all calculated in accordance with GAAP and by reference to the consolidated statement of cash flow of NATC delivered by NATC in respect of such Fiscal Year in accordance with Section 2.3(a).

"GAAP" means generally accepted accounting principles applicable from time to time in Canada approved by the Canadian Institute of Chartered Accountants, or any successor institute, applicable as at the date any calculation is made or required to be made hereunder.

"**Industry Compensation Survey**" means, in respect of any Fiscal Year, the "**Mining Industry Salary Survey – Site Report – Canada**" produced by PricewaterhouseCoopers LLP for such Fiscal Year, a copy of which is made available to DIAND, or such other industry compensation survey as may be agreed to from time to time by NATC and DIAND.

"**Mactung Mine**" has the meaning ascribed to it in Section 3.1.

"**Mine**" has the meaning ascribed to it in the Canada Mining Regulations.

"**Minister**" means the Minister of Indian Affairs and Northern Development.

"**Obligations**" has the meaning ascribed to such term in Section 3.1.

"**Original RSA**" has the meaning ascribed to it in the recitals to this Agreement.

"**Person**" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;

"Prime Rate" means the floating annual rate of interest established from time to time by Bank of Montreal as the base rate it will use to determine rates of interest on Canadian Dollar Loans to customers in Canada and which it designates as its prime rate.

"Reclamation Obligations" means, collectively, NATC's obligations pursuant to all permits and licenses with respect to environmental compliance, reclamation and post-closure control measures for environmental impacts in connection with the closure of mining operations at the Cantung Mine, including, without limitation NATC's obligations under the Surface Leases and the Water License.

"RST" means a qualifying environmental trust for the Cantung Mine with NATC as settlor and beneficiary to be established in accordance with the terms of the RST Indenture and which shall qualify under the requirements of the *Income Tax Act* (Canada) as a "qualifying environmental trust".

"RST Indenture" means a reclamation security trust indenture with respect to the RST to be entered into between NATC and a trust company satisfactory to DIAND and NATC and to be in form and substance satisfactory to DIAND.

"Security Requirement" means the amount of the security required to be posted for the Reclamation Obligations.

"Shareholder" means any Person that holds, directly or indirectly, any legal or beneficial interest in NATC or any voting rights in relation to NATC.

"Significant Shareholders" means any Shareholder of NATC which holds, legally or beneficially, at least 10% of the issued share capital of NATC or any voting rights attaching thereto.

"Surface Leases" means the surface leases granted to NATC (copies of which are attached hereto as Schedule "B") and includes any amendments or replacements to such surface leases.

"Total Security" means, at any time, the aggregate amount of cash, letters of credit, deposits into the RST and promissory notes made or provided, as applicable, by NATC prior to such time in accordance with the terms of Section 2.1(a).

"Water Board" means the MacKenzie Valley Land and Water Board as established pursuant to the *MacKenzie Valley Resource Management Act* (Canada) or any subsequent board which may be granted similar jurisdiction.

"Water License" means Water License No. MV2002L2-0019 effective January 30, 2009 and expiring January 29, 2014, issued to NATC by the Water Board (a copy of which is attached hereto as Schedule "A") and includes any amendments or replacements to such license.

"**Waters Act**" means the *Northwest Territories Waters Act* (Canada) including any amendments or successor legislation.

"**Working Capital Facility**" means a working capital facility available to NATC to fund its operations.

1.2 Entire Agreement

This Agreement sets forth the entire agreement between the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties hereto, and there are no warranties, representations or other agreements between the parties hereto in connection with the subject matter hereof except as specifically set forth herein.

1.3 Extended Meanings

Words importing the singular number include the plural and vice versa; words importing gender include the masculine, feminine and neuter genders; words importing Persons include firms and corporations.

1.4 Waiver

No waiver of any of the provisions of this Agreement shall be deemed to or shall constitute a waiver of any other provisions nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

1.5 Time of Essence

Time shall be of the essence in all respects of this Agreement.

1.6 Business Day

Whenever a payment to be made or action to be taken under this Agreement is required to be made or taken on a day which is a Saturday, Sunday or statutory holiday in Ontario, British Columbia, Quebec or the Northwest Territories, then such payment shall be made or action taken on the next succeeding day that is not a Saturday, Sunday or statutory holiday in Ontario, British Columbia, Quebec or the Northwest Territories.

1.7 References

References to an article, section, subsection, paragraph or schedule shall be construed as references to an article, section, subsection, paragraph or schedule to this Agreement unless the context otherwise requires.

1.8 Headings

The division of this Agreement into articles and subsections and the insertion of headings are for convenience of reference only and shall not alter the construction or interpretation of this Agreement.

1.9 Currency

All references in this Agreement to Dollars or \$ shall be deemed to be references to the lawful currency of Canada, unless otherwise expressly provided for herein.

ARTICLE 2

RECLAMATION SECURITY

2.1 Contributions

- (a) As security for the Reclamation Obligations:
 - (i) In addition to the Existing Cash, NATC shall on or before each September 1, December 1, March 1 and June 1 commencing September 1, 2010 and ending on the date that the Cash Security is at least equal to the Security Requirement, post by way of cash or Acceptable Letters of Credit and/or by way of deposits into the RST \$100,000;
 - (ii) If at any time it is determined that the Free Cash Flow of NATC in respect of any Fiscal Year exceeds \$1,000,000 (such amount referred to as the "**Excess Cash Flow Amount**"), NATC shall, on or before the next following October 31, post by way of either cash or Acceptable Letters of Credit and/or deposits into the RST an amount at least equal to 30% of such Excess Cash Flow Amount until the amount of Cash Security is at least equivalent to the Security Requirement.
 - (iii) If at any time it is determined that the Distributed Amounts of NATC in any Fiscal Year exceed \$500,000 (such amount referred to as the "**Excess Distributed Amount**"), NATC shall, on or before the next following October 31, post by way of either cash, Acceptable Letters of Credit and/or deposit into the RST an amount at least equal to 50% of the Excess Distributed Amount until the amount of Cash Security is at least equivalent to the Security Requirement.
- (b) If the Water Board approves a reduction in the security required to be posted by NATC under the Water License for the Reclamation Obligations and:

- (i) as a result the Cash Security is equal to or exceeds the Security Requirement, NATC shall be entitled to the return of the amount of Cash Security which exceeds the Security Requirement; or
 - (ii) the aggregate of Cash Security and promissory notes held by DIAND exceeds the Security Requirement, NATC shall be entitled to the return of promissory notes in the amount by which the Cash Security and promissory notes exceed the Security Requirement.
- (c) In the event there are amendments to the Water License requiring NATC to post security in a higher amount and/or on different dates than those described in Section C1 of the Water License in effect on the date hereof, the requirements of Sections 2.1(a) shall be deemed amended to ensure that amounts to be posted by way of cash, Acceptable Letters of Credit and/or deposits to the RST are made on the dates required by such amendment and are, in the case of cash, Acceptable Letters of Credit and/or deposits into the RST, represent at least 10% of such required contribution and in the case of promissory notes, represents not more than 90% of such required contribution.
- (d) On or about September 1 of each year while this Agreement remains in effect (or more frequently if agreed to by DIAND, acting reasonably) NATC shall have the right to request the return and cancellation of promissory notes previously delivered to the extent the aggregate of Cash Security and promissory notes held by DIAND exceeds the Security Requirement and in an aggregate amount no greater than any amount by which the Cash Security exceeds the Security Requirement.
- (e) Any interest earned on the Cash Security shall not be released to NATC at any time unless and until the Cash Security is at least equivalent to the Security Requirement.

2.2 Right to Audit

DIAND has the right from time to time, at DIAND's expense and following reasonable notice to NATC, to, during regular business hours and without any undue interference with NATC's ordinary course business operations inspect any of the books and records of NATC relating to NATC's operations and/or to cause an audit of NATC's business, affairs, records and procedures relating to required contributions to be made in accordance with Section 2.1.

2.3 Reporting Requirements

NATC shall deliver, or cause to be delivered, to DIAND:

- (a) forthwith upon their delivery to any securities exchange or regulatory body, copies of its annual financial statements in respect of each of its Fiscal Years,

including its statement of cash flows and management information circulars, and

- (b) no later than 30 days after delivery to any securities exchange or regulatory body, of its annual financial statements in respect of each of its Fiscal Years, an officer's certificate of NATC certifying the Free Cash Flow and Distributed Amounts in respect of such Fiscal Year, and certifying that NATC is in full compliance with its obligations hereunder (or specifying any non-compliance and stating what action, if any, NATC is taking in connection therewith).

ARTICLE 3 SECURITY INTEREST

3.1 Grant of Security Interest

As a general and continuing security for the payment and performance of any and all indebtedness, obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by NATC to DIAND hereunder and under the Water License, including for greater certainty all promissory notes made in favour of the Minister as security for such obligations and all obligations to provide additional promissory notes, letters of credit or other security in accordance with Section 2.1 of this Agreement, (all of the foregoing being herein collectively called the "**Obligations**") NATC, **IN CONSIDERATION OF THE OBLIGATIONS** and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby confirms and ratifies the grant to DIAND by way of the Original RSA of a continuing security interest in all the property, assets and undertakings of NATC of whatsoever nature and kind, now owned or hereafter-acquired by or on behalf of NATC relating to the property owned and/or operated by NATC known as the "**Mactung Mine**") or proceeds generated out of such property, assets and undertakings, including, without limitation, as described on Schedule C (the "**Collateral**").

3.2 Dealing in Ordinary Course

Until the security interest becomes enforceable, NATC may, provided to do so is not contrary to (a) any of the covenants, terms and provisions hereof or of the RST Indenture or (b) any other covenant of NATC contained in any other agreement or instrument from time to time in effect between NATC and DIAND, dispose of or deal with the Collateral in the ordinary course of its business and for the purpose of carrying on the same; in particular, subject to the other terms and provisions of this Agreement NATC may:

- (a) declare or pay dividends, purchase or redeem any of its shares or reduce its share capital, borrow money, guarantee obligations and provide financial assistance, all in its sole discretion;
- (b) acting commercially reasonably and subject to posting security as required by Article 2 of this Agreement:

- (i) sell, lease or dispose of the Collateral, other than interests in real property, in the ordinary course of business,
- (ii) sell, lease or dispose of Collateral that is an interest in real property, including pursuant to joint venture or earn-in arrangements in respect of the Mactung Mine, with the prior written consent of DIAND;
- (iii) sell, lease, consign or otherwise deal with inventory; and
- (iv) provided a subordination agreement in form and substance satisfactory to DIAND is executed and delivered in favour of DIAND, grant, create or permit to be created security interests, charges, encumbrances, liens or claims against the Collateral which rank behind the security interest created in favour of DIAND in accordance with this Article 3.

3.3 Default in Payment

Required deposits of security to be made in accordance with Article 2 that have accrued and are in arrears, shall accrue interest at the Prime Rate plus 4% per annum, calculated daily and compounded quarterly, for the applicable period in which such contributions are in arrears.

3.4 Defaults

The Obligations secured hereby shall become immediately due and payable and the security interests created hereunder shall become enforceable in each and every of the following events (herein called a "Default"):

- (a) upon an inspector taking any action to implement the measures contained in an inspector's direction under Section 37(3) of the *Waters Act*;
- (b) upon any announcement or notice of impending permanent closure of the Cantung Mine;
- (c) upon any default by NATC in respect of any indebtedness in excess of \$100,000 in the aggregate, including in respect of any working capital facility, debt securities, or any other instrument or agreement pursuant to which NATC has obtained credit or borrowed money, and such default has not been cured or remedied within 60 days of the date of such default; provided that if NATC is diligently and in good faith disputing the payment of such defaulted amount and NATC has received notice from DIAND that the 60 day cure period has been extended (such notice to be provided by DIAND acting reasonably) to such further date as may be agreed to by DIAND in writing, acting reasonably such default shall not become a Default until the expiration of such extended cure period;

- (d) if at any time after the date hereof NATC: (i) files a voluntary petition in bankruptcy or files any proposal or notice of intent to file a proposal, or files any application or otherwise commences any action or proceeding seeking reorganization, arrangement, consolidation or readjustment of its financial obligations or which seeks to stay or has the effect of staying, any creditors, or for any other relief under the *Bankruptcy and Insolvency Act of Canada* or the CCAA or under any other bankruptcy, insolvency, liquidation, winding-up or similar statute or law or under any corporate statute in connection with any such relief, whether provincial, state or federal, now or hereafter existing, or consents to, approves of or acquiesces in, any such petition, proposal, action or proceeding; (ii) applies for or acquiesces in the appointment of a receiver, assignee, monitor, liquidator, sequestrator, custodian or trustee (whether or not on an interim or permanent basis) or similar officer for it or for all or any part of its assets; (iii) makes an assignment for the benefit of creditors; or (iv) is unable generally to pay its debts as they become due;
- (e) if at any time after the date hereof an involuntary petition or proposal is filed or an action or proceeding is otherwise commenced seeking reorganization, arrangement, consolidation or readjustment of NATC's financial obligations or for any other relief under the *Bankruptcy and Insolvency Act of Canada* or the CCAA or under any other bankruptcy, insolvency, liquidation, winding-up, corporate or similar statute or law or under any corporate statute in connection with any such relief, whether provincial, state or federal, now or hereafter existing;
- (f) if at any time after the date hereof a receiver, assignee, liquidator, administrator, sequestrator, custodian, trustee, monitor or similar official for NATC or for all or any part of NATC's assets is appointed involuntary;
- (g) if NATC files a certificate of dissolution or like process under applicable law or is liquidated, dissolved or wound-up or takes any corporate action in furtherance thereof (for greater certainty, if NATC has been acquired by, or amalgamated with or into another entity (the "Successor") and the Successor assumes the obligations of NATC hereunder, neither paragraph 3.4(d) nor this paragraph 3.4(g) shall be applicable);
- (h) if NATC abandons all or any material part of its assets or ceases or threatens to cease to carry on business, in each case, such that its ability to meet its obligations hereunder is at material risk; or
- (i) if NATC is in breach of any of its obligations under Section 2.1 of this Agreement.

3.5 Waiver

DIAND may waive in writing any breach by NATC of any of the terms or provisions of this Agreement or any default, provided always that no waiver shall be deemed to extend to a subsequent breach or default, whether or not the same as or similar to the breach or default waived and no act or omission by DIAND shall extend to or be taken in any manner whatsoever to affect any subsequent breach or default or the rights of DIAND arising therefrom. Any waiver of any such default must be in writing to be effective against and to bind DIAND.

3.6 Remedies on Default

If the security hereby constituted becomes enforceable, DIAND shall have, in addition to any other rights, remedies and powers which it may have at law or in equity the following rights, remedies and powers:

(a) Power of Entry

NATC shall forthwith upon demand assemble and deliver to DIAND possession of all of the Collateral at such place as may be specified by DIAND, acting reasonably. DIAND may take such steps as it considers necessary or desirable to obtain possession of all or any part of the Collateral and, to that end, NATC agrees that DIAND, its servants or agents or a receiver may, at any time, during the day or night, enter upon lands and premises where the Collateral may be found for the purpose of taking possession of and/or removing the Collateral or any part thereof. In the event of DIAND taking possession of the Collateral, or any part thereof, DIAND shall have the right to maintain the same upon the premises on which the Collateral may then be situated. DIAND may, in a reasonable manner, take such action or do such things as to render any equipment unusable.

(b) Power of Sale

DIAND may sell, lease or otherwise dispose of all or any part of the Collateral, as a whole or in separate parcels, by public auction, private tender or by private contract, with or without notice with or without advertising and without any other formality, in each case except as otherwise required by law, all of which are hereby waived by NATC. Such sale, lease or disposition shall be on such terms and conditions as to credit and otherwise and as to upset or reserve bid or price as to DIAND, in its sole discretion, may seem advantageous.

(c) Validity of Sale

No Person dealing with DIAND or its servants or agents shall be concerned to inquire whether the security hereby constituted has become enforceable,

whether the powers which DIAND is purporting to exercise have become exercisable, whether any money remains due on the security of the Collateral, as to the necessity or expedience of the stipulations and conditions subject to which any sale, lease or disposition shall be made, otherwise as to the propriety or regularity of any sale or any other dealing by DIAND with the Collateral or to see to the application of any money paid to DIAND. In the absence of fraud on the part of such Persons, such dealings shall be deemed, so far as regards the safety and protection of such Person, to be within the powers hereby conferred and to be valid and effective accordingly.

(d) Receiver-Manager

DIAND may, in addition to any other rights it may have, appoint by instrument in writing a receiver or receiver and manager of all or any part of the Collateral or may institute proceedings in any court of competent jurisdiction for the appointment of such a receiver. Any such receiver is hereby given and shall have the same powers and rights and exclusions and limitations of liability as DIAND has under this Agreement, at law or in equity. In exercising any such powers, any such receiver shall, to the extent permitted by law, act as and for all purposes shall be deemed to be the agent of NATC and DIAND shall not be responsible for any act or default of any such receiver. DIAND may appoint one or more receivers hereunder and may remove any such receiver or receivers and appoint another or others in his or their stead from time to time. A court need not appoint, ratify the appointment by DIAND of or otherwise supervise in any manner the actions of any receiver. Upon NATC receiving notice from DIAND of the taking of possession of the Collateral or the appointment of a receiver, all powers, functions, rights and privileges of each of the directors and officers of NATC with respect to the Collateral shall cease, unless specifically continued by the written consent of DIAND.

(e) Dealing with Collateral

DIAND may seize, collect, realize, dispose of, enforce, release to third parties or otherwise deal with the Collateral or any part thereof in such manner, upon such terms and conditions and at such time or times as may seem to it advisable, all of which without notice to NATC except as otherwise required by any applicable law. DIAND may demand, sue for and receive any accounts receivable with or without notice to NATC, give such receipts, discharges and extensions of time and make such compromises in respect of any accounts receivable which may, in DIAND's absolute discretion, seem bad or doubtful. DIAND may charge on its own behalf and pay to others, sums for costs and expenses incurred including, without limitation, legal fees and expenses on a solicitor and his own client scale and receivers' and accounting fees, in or in connection with seizing, collecting, realizing, disposing, enforcing or

otherwise dealing with the Collateral and in connection with the protection and enforcement of the rights of DIAND hereunder including, without limitation, in connection with advice with respect to any of the foregoing. The amount of such sums shall be deemed advanced to NATC by DIAND, shall become part of the Obligations, and shall bear interest at the Prime Rate plus 4% per annum and shall be secured by this Agreement.

3.7 Pay Encumbrances

Following the occurrence of a Default which is continuing, DIAND may pay any encumbrance that may exist or be threatened against the Collateral. In addition, DIAND may borrow money required for the maintenance, preservation or protection of the Collateral or for the carrying on of the business or undertaking of NATC and may grant further security interests in the Collateral in priority to the security interest created hereby as security for the money so borrowed. In every such case the amounts so paid or borrowed together with costs, charges and expenses incurred in connection therewith shall be deemed to have been advanced to NATC by DIAND, shall become part of the Obligations, shall bear interest at the Prime Rate plus 4% per annum and shall be secured by this Agreement.

3.8 Application of Payments Against Obligations

Any and all payments made in respect of the Obligations from time to time and moneys realized on the Collateral may be applied to such part or parts of the Obligations as DIAND may see fit, and DIAND shall at all times and from time to time have the right to change any appropriation as DIAND may see fit. Any insurance moneys received by DIAND pursuant to this Agreement may, at the option of DIAND, be applied to rebuilding or repairing the Collateral or be applied against the Obligations.

3.9 Set-Off

Following the occurrence of a Default which is continuing, the Obligations will be paid by NATC without regard to any equities between NATC and DIAND or any right of set-off or cross-claim.

3.10 DIAND Not Liable

In enforcing its remedies hereunder, DIAND shall not be liable or accountable for any failure to seize, collect, realize, dispose of, enforce or otherwise deal with the Collateral or be bound to institute proceedings for any such purposes or for the purpose of preserving any rights of DIAND, NATC or any other Person, firm or corporation in respect of the Collateral and shall not be liable or responsible for any loss, cost or damage whatsoever which may arise in respect of any such failure including, without limitation, resulting from the negligence of DIAND or any of its officers, servants, agents, solicitors, attorneys, receivers or otherwise. None of DIAND nor its officers, servants, agents or receivers shall be liable by reason of any entry into possession of the Collateral or any part thereof, to account as a mortgagee in

possession, for anything except actual receipts, for any loss on realization, for any act or omission for which a mortgagee in possession might be liable, for any negligence in the carrying on or occupation of the business or undertaking of NATC as provided in herein or for any loss, cost, damage or expense whatsoever which may arise in respect of any such actions, omissions or negligence.

3.11 Rights in Addition

The rights and powers conferred herein in favour of DIAND are in supplement of and in addition to and not in substitution for any other rights or powers DIAND may have from time to time under this Agreement or under applicable law. DIAND may proceed by way of any action, suit, remedy or other proceeding at law or in equity and no such remedy for the enforcement of the rights of DIAND shall be exclusive of or dependent on any other such remedy. Any one or more of such remedies may from time to time be exercised separately or in combination.

3.12 Further Assurances

NATC shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all and singular every such further acts, deeds, conveyances, instruments, transfers, assignments, security agreements and assurances as may be reasonably necessary or desirable or as DIAND may reasonably require in order to give effect to the provisions and purposes of this Agreement including, without limitation, in respect of DIAND's enforcement of the security and its realization on the Collateral, and for the better granting, transferring, assigning, charging, setting over, assuring, confirming and/or perfecting the security interest of DIAND in the Collateral pursuant to this Agreement. NATC shall be deemed immediately following the occurrence of a Default which is continuing to constitute and appoint DIAND or any receiver appointed by the Court or DIAND as provided herein, the true and lawful attorney of NATC irrevocably with full power of substitution to do, make and execute all such assignments, documents, acts, matters or things with the right to use the name of NATC whenever and wherever it may be deemed necessary or expedient. NATC hereby authorizes DIAND to file such proofs of claim and other documents as may be necessary or advisable in order to prove its claim in any bankruptcy, proposed winding-up or other proceeding relating to NATC.

3.13 No Merger

Neither the taking of any judgment nor the exercise of any power of seizure or sale shall operate to extinguish the liability of NATC to make payment of or satisfy the Obligations. The acceptance of any payment or alternate security shall not constitute or create any novation and the taking of a judgment or judgments under any of the covenants herein contained shall not operate as a merger of such covenants.

3.14 Continuing Security Interest

This Agreement shall create a continuing security interest in the Collateral and shall remain in full force and effect until payment and performance in full of the Obligations, notwithstanding any dealing between DIAND and NATC in respect of the Obligations or any release, exchange, non-perfection, amendment, waiver, consent or departure from or in respect of any or all of the terms or provisions of any security held for the Obligations.

3.15 Security Interest Effective Immediately

The parties confirm their intention that the security interest in the Collateral created by way of the Original RSA attached and took effect forthwith upon execution of the Original RSA by NATC and NATC acknowledges that value has been given and that NATC has rights in the Collateral.

3.16 Receipt of Copy

NATC acknowledges receipt of an executed copy of this Agreement.

3.17 Release of Security Interest

- (a) In the event that reclamation of the Cantung Mine is completed to DIAND's satisfaction, NATC shall be entitled to a full discharge and release of DIAND'S security interest in the Collateral; and
- (b) In the event that reclamation for the Cantung Mine has not been completed but:
 - (i) NATC is not in default of any of its obligations hereunder; and
 - (ii)
 - (A) adequate provisions have been made in the RST to DIAND's satisfaction to carry out reclamation of the Cantung Mine; and/or
 - (B) security for the Water License in the form of promissory notes and secured by the Collateral has been replaced with another form of security satisfactory in form and substance to DIAND,

NATC shall be entitled to a full discharge and release of DIAND's security interest in the Collateral except for the security interest in the RST which shall remain in place until full and final reclamation of the Cantung Mine is completed to DIAND's satisfaction.

ARTICLE 4**GENERAL PROVISIONS****4.1 Notices**

Any notice, demand, waiver, election or other communication required or permitted to be given hereunder shall be in writing and shall be deemed to be sufficiently given if personally delivered or telecopied, addressed to the party to whom the same is given, as follows:

(a) In the case of NATC:

North American Tungsten Corporation Ltd.
Suite 1640 – 1188 West Georgia Street
Vancouver, B.C. V6E 4A2

Attention: Stephen Leahy
Telephone: (604) 684-5300
Fax: (604) 684-2992

With a copy to:

Fraser Milner Casgrain LLP
15th Floor – 1040 West Georgia Street
Vancouver, B.C.

Attention: Mr. Brian Abraham
Telephone: (604) 687-4460
Fax: (604) 683-5214

(b) In the case of DIAND:

Department of Indian Affairs and Northern Development
Mineral Resources Directorate
Natural Resources and Environment Branch
25 Eddy Street
10th Floor, Room 49
Gatineau, QC K1A 0H4

Attention: Mr. Patrick O'Neill
Telephone: (819) 997-9828
Fax: (819) 953-9066

and to:

Department of Indian and Northern Affairs
Northwest Territories
Bellanca Building
4914 50th Street
P.O. Box 1500
Yellowknife, NWT X1A 2R3

Attention: Malcolm Robb
Telephone: 1-867-669-2618
Fax: 1-867-669-2705

or at such other address as any party may from time to time advise the other by notice in writing. Any notice given by personal delivery shall be deemed to be received on the date of delivery. Any notice sent by fax shall be deemed to have been received on the next day following its transmission that is not a Saturday, Sunday or statutory holiday in Ontario, British Columbia, Quebec or the Northwest Territories.

4.2 Governing Law

This Agreement is governed by and is to be construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

4.3 Assignment

This Agreement may not be assigned by either party hereto without the written consent of the other party, such consent not to be unreasonably withheld, but if so assigned shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and assigns.

4.4 Severability

Any provision of this Agreement which is or becomes prohibited or unenforceable in any jurisdiction shall not invalidate or impair the remaining provisions hereof which shall be deemed severable from any such prohibited or unenforceable provision and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

4.5 No Novation

The obligations of NATC under the Original RSA remain in full force and effect except as expressly amended and restated by the terms of this Agreement and in particular, the obligations of NATC under Article 3 of the Original RSA remain in full force and effect as and from the date of the Original RSA there being no merger or novation by way of this Agreement.

4.6 Not a Partnership or Joint Venture

Nothing contained in this Agreement nor any acts of DIAND or NATC shall be deemed to constitute NATC and DIAND partners, joint venturers or principal and agent.

4.7 Resolution of Disputes

NATC and DIAND agree to refer any matters of dispute that cannot be otherwise resolved by agreement of the parties to a committee of three arbitrators (the "Arbitration Committee") composed of an appointee selected by DIAND, an appointee selected by NATC, and a third appointee selected by the other two appointees. The Arbitration Committee shall have all powers given to arbitrators under and shall act in accordance with the provisions of the *Commercial Arbitration Act* (British Columbia). The parties understand and agree that such arbitrators are to be Persons experienced in and knowledgeable with respect to the particular issue which is the subject of arbitration.

4.8 Counterparts

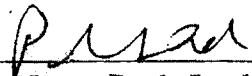
This Agreement may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date hereinabove provided.

Witness:

**HER MAJESTY THE QUEEN IN RIGHT
OF CANADA, as represented by THE
MINISTER OF INDIAN AFFAIRS AND
NORTHERN DEVELOPMENT**

Per:



Name: Paula Isaak

Title: Director General
Natural Resources and
Environment Branch
Indian and Northern Affairs
Canada

**NORTH AMERICAN TUNGSTEN
CORPORATION LTD.**

Per:

Name:

Title:

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date hereinabove provided.

Witness:

**HER MAJESTY THE QUEEN IN RIGHT
OF CANADA, as represented by THE
MINISTER OF INDIAN AFFAIRS AND
NORTHERN DEVELOPMENT**

Per: _____

Name:

Title:

**NORTH AMERICAN TUNGSTEN
CORPORATION LTD.**

Per: _____

Name: *Stephen Leaty*

Title: *Chairman + CEO*

SCHEDULE A
WATER LICENSE



MACKENZIE VALLEY LAND AND WATER BOARD WATER LICENCE

Pursuant to the *Mackenzie Valley Resource Management Act* and the *Northwest Territories Waters Act* and Regulations, the Mackenzie Valley Land and Water Board hereby grants to:

North American Tungsten Corporation Ltd.
(Licensee)

of #1640 1188 West Georgia St. Vancouver, BC V6E 4A2
(Mailing Address)

the right to alter, divert or otherwise use water subject to the restrictions and conditions contained in the *Northwest Territories Waters Act* and Regulations made thereunder and subject to and in accordance with the conditions specified in this Licence.

Licence Number:	<u>MV2002L2-0019</u>
Licence Type:	<u>A</u>
Water Management Area:	<u>3 – Mackenzie River Area</u>
Location:	<u>Cantung Mine</u>
Purpose:	<u>Mining and Milling</u>
Description:	<u>Use of Water and Disposal of Waste</u>
Quantity of water <u>not to be exceeded:</u>	<u>45, 000 m³ weekly</u>
Effective Date of Licence:	<u>January 30, 2009</u>
Expiry Date of Licence:	<u>January 29, 2014</u>

This Licence issued and recorded at Yellowknife includes and is subject to the annexed conditions.

MACKENZIE VALLEY LAND AND WATER BOARD

Chair

Witness

APPROVED BY

[Signature] [Signature]
Minister of Indian Affairs and Northern
Development

PART A: SCOPE AND DEFINITIONS

Scope

This Licence entitles North American Tungsten Corporation Ltd. (hereafter the "Licensee") to use Water and dispose of Waste for a mining and milling undertaking, and associated uses at the Cantung Mine, Northwest Territories (Latitude - 61° 57'N; Longitude - 128° 16' W) as described in the complete Water Licence Application and attachments dated February 6, 2008, and subsequent Information Requests responses dated May 20, 2008 and July 17, 2008 and related documents. Specifically, this Licence authorizes the following activities:

- I. Withdrawal of Water for continued mining and milling operations through the Water Supply Facility;
- II. Withdrawal of Water for domestic purposes through the Water Supply Facility;
- III. Deposit of Waste through the Tailings Containment Area and underground;
- IV. Deposit of Waste through the Solid Waste Disposal Facility and Landfarm;
- V. Disposal of Waste Rock in underground workings and above ground;
- VI. Disposal of Sewage;
- VII. Handling and storage of petroleum products and hazardous materials;
- VIII. Operation and maintenance of Sewage Disposal Facilities;
- IX. Operation and maintenance of Tailings Containment Area;
- X. Operation and maintenance of Solid Waste Disposal Facilities and Landfarm; and
- XI. Progressive Reclamation and associated closure activities.

Definitions:

In this Licence: MV2002L2-0019

"Acid/Alkaline Rock Drainage (ARD)" means the production of acidic or alkaline leachate, seepage or drainage from underground workings, ore piles, Waste Rock Tailings, or overburden that can lead to the release of metals to groundwater and surface Water during the life of the mine and after mine closure;

"Act" means the *Northwest Territories Waters Act*;

"Analyst" means an Analyst designated by the Minister under Section 35 (1) of the Act;

"Average Concentration" means the discrete average of four consecutive analytical results, or if less than four analytical results, the discrete average of the analytical results collected during a batch decant, as submitted to the Board in accordance with the sampling and analysis requirements specified in the "Surveillance Network Program";

"Board" means the Mackenzie Valley Land and Water Board established under Part 4 of the *Mackenzie Valley Resource Management Act*;

"Dam Safety Guidelines" means the Canadian Dam Association's (CDA) Dam Safety Guidelines (DSG), 2007 or subsequent approved editions. The scope and applicability of the DSG referred to in this Licence, is presented in Section 1 of the DSG;

"Flat River Tailings" means the historical Tailings that were deposited into the Flat River;

"Freeboard" means the vertical distance between Water line and the effective Water containment crest on a dam or dyke's upstream slope;

"Engineer" means a professional Engineer registered to practice in the Northwest Territories in accordance with the *Engineering and Geoscience Professions Act*, S.N.W.T. 2006, c.16;

"Geoscientist" means a professional Geoscientist registered to practice in the Northwest Territories in accordance with the *Engineering and Geoscience Professions Act*, S.N.W.T. 2006, c.16;

"ICP Metal Scan" means, for the purpose of this Licence, elements detected by an inductively coupled plasma mass spectrometer including but not limited to aluminium, barium, boron, cadmium, chromium, copper, iron, lead, manganese, molybdenum, nickel, selenium, strontium, uranium and zinc;

"Inspector" means an Inspector designated by the Minister under Section 35 (1) of the Act;

"Landfarm" comprises the area and associated Engineered infrastructure designed to contain and treat hydrocarbon contaminated soils;

"Licensee" means the holder of this Licence;

"Metal Leaching (ML)" means the potential for leaching of metals from Tailings, Waste Rock or stock piles in contact with any Water;

"Minister" means the Minister of Indian and Northern Affairs Canada;

"Minewater" means groundwater, surface Water, or any Water Used in mining which is pumped or flows out of any underground workings or open pit;

"Modification" means an alteration to a physical work that introduces a new structure or eliminates an existing structure and does not alter the purpose or function of the work, but does not include an expansion;

"Progressive Reclamation" means those activities conducted during the operating period of the mine to modify and reclaim the land and Water affected by the licensed undertaking to the satisfaction of the Board;

"Regulations" means Regulations proclaimed pursuant to Section 33 of the Act;

"Sewage" means all toilet Wastes and greywater;

"Sewage Disposal Facilities" comprises the area and Engineered structures designed to contain and treat Sewage;

"Solid Waste Disposal Facilities" comprises the area and associated Engineered infrastructure designed to contain solid Wastes;

"Tailings" means material rejected from the mill after the recoverable valuable minerals have been extracted;

"Tailings Containment Area (TCA)" comprises the following Engineered structures designed to contain Tailings: Tailings Pond 1, Tailings Pond 2, Tailings Pond 3, Tailings Pond 4, and Tailings Pond 5 as depicted in the Water Licence application;

"Waste" means Waste as defined by Section 2 of the Act;

"Waste Rock" means all unprocessed rock materials, except ore and Tailings, which are produced as a result of mining and milling operations;

"Waste Disposal Facilities" means all facilities designated for the disposal of Waste, and includes the Sewage Disposal Facilities, Solid Waste Disposal Facilities and Landfarm;

"Waters" means any Waters as defined by Section 2 of the Act;

"Water Supply Facility" comprises the area and associated Intake infrastructure to collect and supply Water for the undertaking;

"Water Use" means a use of Water as defined by Section 33 of the Act; and

"Water Use Fee" means a fee for the use of Water set out in the Regulations promulgated under Section 33 of the Act.

PART B: GENERAL CONDITIONS

- B.1. This Licence is issued subject to the conditions contained herein with respect to the taking of Water and the depositing of Waste of any type in any Waters or in any place under any conditions where such Waste or any other Waste that results from the deposit of such Waste may enter any Waters. Whenever new Regulations are made or existing Regulations are amended by the Governor in Council under the Act, or other statutes imposing more stringent conditions relating to the quantity or type of Waste that may be so deposited or under which any such Waste may be so deposited this Licence shall be deemed, upon promulgation of such Regulations, to be automatically amended to conform with such Regulations.
- B.2. Compliance with the terms and conditions of this Licence has no effect on the Licensee's responsibility for compliance with the requirements of any other applicable Federal, Territorial or Municipal legislation and regulations.
- B.3. The Licensee shall file an Annual Report with the Board not later than March 31st of the year following the calendar year reported which shall contain the following information:
 - a. The monthly and annual quantity in cubic metres of Water pumped from the Flat River;

- b. The monthly and annual quantity in cubic metres of the solid and liquid fractions discharged to the Tailings Containment Area;
 - c. The monthly and annual quantity in cubic metres of Sewage discharged to the Tailings Containment Area;
 - d. The monthly and annual quantity in cubic meters of soil treated in the Landfarm;
 - e. The monthly and annual quantity of solid Waste disposed of in the Solid Waste Disposal Facility;
 - f. The monthly and annual quantity of hazardous Waste generated and removed from the minesite;
 - g. The monthly and annual quantity in cubic metres of recycled Minewater;
 - h. All data generated under the "Surveillance Network Program" and a discussion of any problems with data collection, analysis or results;
 - i. A detailed record of major maintenance work carried out on the Water Supply and the Waste Disposal Facilities and all associated structures;
 - j. A summary of construction activities conducted and an updated Mine Plan;
 - k. A summary of all work carried out under the Management Plans in accordance with Part F;
 - l. Any revisions to the Closure and Reclamation Plan as referred to in Part H;
 - m. A summary of any Progressive Reclamation work undertaken during the year, supported by applicable environmental or analytical reports and an outline of any work anticipated for the next year. This shall also include a valuation of the previous year's reclamation work and any adjustments or transactions made in regards to the security deposit;
 - n. An updated estimate of the current mine reclamation liability, using a financial security estimate method approved by the Board, based upon the results of the mine reclamation research, completed reclamation approved and deemed complete by the Inspector, mine development monitoring, and any modifications to the Mine Plan;
 - o. A list of any unauthorized discharges;
 - p. Any other details on Water Use or Waste disposal requested by the Board by November 1st of the year being reported;
 - q. A summary of weekly Waste Rock composites, geochemical analysis, including acid base accounting analysis, sampling dates, and geologic rock types; and
 - r. A detailed discussion on the performance, installation, and evaluation, including the use of photographs, of the primary and secondary containment measures used in fuel storage to prevent impacts to all Waters.
- B.4. The Licensee shall comply with the "Surveillance Network Program" annexed to this Licence, and any amendment to the annexed "Surveillance Network Program" as approved by the Board.
- B.5. The "Surveillance Network Program" and compliance dates specified in the Licence may be modified at the discretion of the Board.
- B.6. Meters, devices or other such methods used for measuring the volumes of Waters used and Waste discharged shall be installed, operated and maintained to the satisfaction of an Inspector.
- B.7. The Licensee shall maintain, to the satisfaction of an Inspector, the necessary signs to identify the stations of the "Surveillance Network Program".
- B.8. The Licensee shall ensure a copy of this Licence is maintained at the site of operations at all times.

PART C: CONDITIONS APPLYING TO SECURITY REQUIREMENTS

- C.1. Pursuant to Section 17 of the Act and Section 12 of the Regulations, the Licensee shall post security on the schedule set out below, and once achieved shall maintain a security deposit totaling \$13,100,000.00:
- a. The \$7,900,000.00 security deposit currently held by the Minister shall be maintained;
 - b. Within 30 (thirty) days of approval of this Licence by the Minister an additional amount of \$1,300,000.00 of security shall be posted;
 - c. On July 1, 2009 an amount of \$1,300,000.00 of security shall be posted;
 - d. On February 1, 2010 an amount of \$1,300,000.00 shall be posted; and
 - e. On July 1, 2010 an amount of \$1,300,000.00 of security shall be posted.
- C.2. The security deposit shall be maintained until such time as it is fully or in part refunded by the Minister pursuant to Section 17 of the Act.
- C.3. Security shall be sufficient to address the full current liability on the site. If there is a reduction in the total liability, due to Progressive Reclamation or alteration of the mine development plans, the Licensee may apply to the Board for a reduction in the amount of security held or required.
- C.4. A failure to provide the required security as set out will be cause for the Board to initiate proceedings to suspend the Licence.

PART D: CONDITIONS APPLYING TO WATER USE

- D.1. The Licensee shall obtain all Water for mining, milling, domestic and associated uses from the Flat River through the Water Supply Facility or as otherwise approved by the Board.
- D.2. The weekly quantity of Water withdrawn using the Water Supply Facility shall not exceed 45,000 (forty-five thousand) cubic metres.
- D.3. The fresh Water intake pumps shall be equipped with a screen with a mesh size sufficient to ensure no entrainment of fish, as outlined in Fisheries and Oceans Canada Freshwater Intake End-of-Pipe Fish Screen Guidelines (2005) or subsequent approved editions. Measurements of Water volumes withdrawn from the Flat River complete with pump specifications shall be maintained on-site and submitted to the Board for review annually with the Water Use Fees.
- D.4. The Water Use Fee shall be paid annually, in advance of any Water Use.

PART E: CONDITIONS APPLYING TO WASTE DISPOSAL

- E.1. All Tailings shall be deposited in the Tailings Containment Area or underground as set out in the approved Tailings Management Plan described in Part F, Item 10.
- E.2. All Sewage shall be discharged to the Tailings Containment Area.
- E.3. The Tailings Containment Area shall be constructed, operated and maintained to Engineering standards such that:

- a. The solids fraction of the Tailings deposited therein shall be permanently contained within the Tailings Containment Area;
 - b. A Freeboard limit of 1.0 meter shall be maintained at all times in the Tailings Containment Area;
 - c. During milling operations, a daily inspection of the dams, Tailings line(s) and catchment basin(s), shall be carried out and records of these inspections shall be provided as an annex to the monthly SNP Reports submitted under Part C of the Surveillance Network Program;
 - d. An independent dam safety review, as defined by the Dam Safety Guidelines, shall be completed prior to September 30th, 2010 and shall be carried out every five (5) years until expiry of the Licence. The Engineer's report shall be submitted to the Board within 90 (ninety) days of the review, including a cover letter from the Licensee outlining an implementation plan to respond to any recommendations made by the Engineer and a summary of any actions taken by the Licensee to satisfy the previous review's engineering recommendations; and
 - e. An inspection of the Tailings Containment Area shall be carried out annually during the summer season by an Engineer. The Engineer's report shall be submitted to the Board within 60 (sixty) days of the inspection, including a cover letter from the Licensee outlining an implementation plan to respond to any recommendations made by the Engineer and a summary of any actions taken by the Licensee to satisfy the previous review's engineering recommendations.
- E.4. The Licensee shall install a minimum of two (2) additional groundwater wells southeast of Tailings Pond 5. The wells shall be conventional 2" wells.
- E.5. The Licensee shall install a minimum of one (1) additional groundwater well upstream of the mine site. The well shall be a conventional 2" well.
- E.6. The Licensee shall install a minimum of one (1) additional groundwater well east of Tailings Ponds 1 and 2. The well shall be a conventional 2" well.
- E.7. Specific groundwater well locations and depths, including GPS coordinates, for the wells required by Part E Items 4 to 6 shall be determined by an Engineer or Geoscientist in consultation with the Inspector prior to drilling. Drilling shall be complete by June 1, 2009.
- E.8. The drill logs and well construction details for the wells required by Part E Items 4 to 6 shall be forwarded to the Board within 60 (sixty) after they are drilled.
- E.9. If, during the period of this Licence an unauthorized discharge of Waste occurs, or an unauthorized discharge is foreseeable, the Licensee shall:
- a. Report the incident immediately via the Northwest Territories/Nunavut 24-Hour Spill Reporting Line (867) 920-8130 which is in accordance with the instructions contained in the "NT-NU Spill Report";
 - b. Submit to the Board and an Inspector a detailed report on each occurrence not later than 30 (thirty) days after initially reporting the event; and
 - c. Implement relevant components of the Contingency Plan set out in Part F, Item 11.

E.10. Sampling Station Number 4-34 shall not exceed the effluent quality requirements in Table E1 below:

Table E1 – Compliance Parameter Limits at Station 4-34

PARAMETER	MAXIMUM AVERAGE CONCENTRATION	MAXIMUM CONCENTRATION OF ANY GRAB SAMPLE
EPH	4.00 mg/L	5.00mg/L
Benzene	4.00 ppm	
Ethyl Benzene	2.00 ppm	
Toluene	0.39 ppm	

E.11. Sampling Stations Number 4-27-4, 4-27-7 to 4-27-16, 4-28-1 and 4-28-2 inclusive shall not exceed the effluent quality requirements in Table E2 below:

Table E2 – Compliance Parameter Limits at Stations 4-27-1 to 4-27-17

PARAMETER	MAXIMUM AVERAGE CONCENTRATION mg/L	MAXIMUM CONCENTRATION OF ANY GRAB SAMPLE mg/L
Total Arsenic	0.20	0.40
Total Cadmium	0.01	0.02
Total Copper	0.20	0.40
Total Lead	0.20	0.40
Total Nickel	0.40	0.80
Total Zinc	0.20	0.40
Total Suspended Solids	15.0	30.0
Total Ammonia	5.00	10.00

E.12. For Sampling Stations Number 4-27-4, 4-27-7 to 4-27-16, 4-28-1 and 4-28-2 the pH value must be between 6.0 and 9.0.

E.13. If, during the period of this Licence, the concentrations of any sample collected at Sampling Station Numbers 4-27-4, 4-27-7 to 4-27-16, 4-28-1 and 4-28-2 exceeds the requirements specified in Part E, Items 11 and 12 respectively, the Licensee shall:

- Implement the Contingency Plan for Groundwater Pumping specified in Part F, Item 11;
- Notify an Inspector immediately of the implementation of the Contingency Plan for Groundwater Pumping; and
- File a report with the Board not later than 30 (thirty) days after implementation of the Contingency Plan for Groundwater Pumping, outlining the action taken to prevent groundwater that exceeds the requirements specified in Part F, Item 11, from reaching the Flat River.

- E.14. The Licensee shall provide to the Board for approval 60 (sixty) days prior to the construction of any new Landfarm an Engineered design for the Landfarm that includes but is not limited to:
- a. A description of the site characteristics, including surface and subsurface characteristics, geotechnical characteristics and site Water management plans;
 - b. Construction and materials specifications including the Licensee's Quality Assurance and Quality Control program;
 - c. A geotechnical analysis, which may include, but is not limited to: settlement, slope stability, groundwater seepage and contaminant transport, and any liner performance;
 - d. The details of a volume balance and Landfarm sizing that considers expected hydrocarbon contaminated soil and snow to be contained;
 - e. The details of leachate management that includes but is not limited to: estimation of leachate generated; leachate collection and disposal; and leachate sampling and monitoring;
 - f. An operational plan that details, but is not limited to: acceptable soil types to be deposited in the Landfarm; remediation standards; and methods and frequency of any soil conditioning to promote remediation;
 - g. The spatial and temporal monitoring program for soil chemistry within the Landfarm;
 - h. The location for the proposed Landfarm on a map to scale with GPS coordinates; and
 - i. A detailed closure plan for the Landfarm.
- E.15. The Licensee shall provide to the Board for approval 60 (sixty) days prior to the construction of any new Solid Waste Disposal Facility an Engineered design for that Facility that includes but is not limited to:
- a. The description the of site characteristics, including surface and subsurface characteristics, geotechnical characteristics and site Water management plans;
 - b. Construction and materials specifications and construction and materials Quality Assurance and Quality Control program;
 - c. A geotechnical analysis, which may include, but is not limited to: settlement, slope stability, groundwater seepage and contaminant transport, and any liner performance;
 - d. The details of a volume balance and Solid Waste Disposal Facility sizing that considers, but is not limited to: refuse volume and density; cover material volume and density; and material balance describing storage capacity and material inputs;
 - e. The details of leachate management that includes but is not limited to: estimation of leachate generated; leachate collection and disposal; and leachate sampling and monitoring;
 - f. The Engineered design of a final cover that includes but is not limited to: health and safety considerations; vector and wildlife control; Water balance for net infiltration; material characteristics and configuration; and, final slopes and contouring to be geotechnically stable, minimize Water pooling, and minimize erosion;
 - g. The location for the proposed Solid Waste Disposal Facility on a map to scale with GPS coordinates; and
 - h. A detailed closure plan for the Solid Waste Disposal Facility.

PART F: CONDITIONS APPLYING TO WASTE AND WATER MANAGEMENT

- F.1. The Licensee shall submit to the Board for approval by May 1, 2009, a Water Management Plan. The Plan shall provide details of the operating procedures for the handling, management and disposal of Water that comes into contact with the mine facilities and activities, and shall include, but is not limited to:
- a. A qualitative and quantitative description of hydrological setting including: climate, hydrology, and hydrogeology;
 - b. A qualitative and quantitative description of freshwater use for potable Water and mining and milling;
 - c. A qualitative and quantitative description of sources of contaminated Water to be managed;
 - d. A qualitative and quantitative description of storm Water management;
 - e. A qualitative and quantitative description of Sewage treatment and disposal;
 - f. The details of the Tailings and Tailings Containment Area Water management including: discharge control, operation; and detailed Water balance;
 - g. The description of site Water balance and schematic representation of a Water balance for the mine site and for major mine facilities (e.g., mill, underground mine, Tailings ponds, etc.);
 - h. The depiction of surface Water flow direction(s) overlaid on a topographic map that depicts relevant mine facilities and topographic features;
 - i. The surface Water and groundwater quality monitoring locations detailed on a map that depicts relevant mine facilities and topographic features;
 - j. A summary of Water quality parameters analyzed and the frequency of measurement for each monitoring location;
 - k. A summary of any Water volume monitoring (i.e., streams, rivers, precipitation, etc.), frequency of monitoring, and location(s) detailed on a map; and
 - l. An analysis by an Engineer or Geoscientist as to how the provisions of the plan required by Part F, Item 1 contribute to a closure and reclamation plan.
- F.2. The Licensee shall submit to the Board for approval by December 1, 2010 a Hydrogeological Groundwater Study. The study shall be signed and stamped by an Engineer or Geoscientist and shall include, but is not limited to, the following:
- a. The use of data obtained from all applicable groundwater wells to more appropriately delineate the full extent of the exfiltration pathway from Tailings Pond 5;
 - b. The use of data obtained from all applicable groundwater wells upstream of the mine site to determine baseline groundwater conditions within the alluvial gravels in the area;
 - c. The use of data obtained from all applicable groundwater wells to more appropriately delineate the full extent of the exfiltration pathway from Tailings Ponds 1 and 2;
 - d. At a minimum, monitoring of sodium (Na) concentrations to delineate the exfiltration pathway from Tailings Ponds 3, 4, and 5;
 - e. At a minimum, Water quality testing of sulphate (SO₄), aluminum (Al), and iron (Fe) concentrations in delineating the exfiltration pathway from Tailings Ponds 1 and 2;
 - f. Details of current loading conditions to Flat River, including but not be limited to, estimates of:

- i. Clean groundwater flow and Water quality concentrations entering the mine site from upstream and from the side valley;
 - ii. Seepage rates and Water quality concentrations from Tailings Ponds 1, 2, 3, 4, and 5;
 - iii. Groundwater discharge and Water quality concentrations to the Flat River along the mine reach; and,
 - iv. Travel times for tracer Water quality parameters.
- g. Groundwater flow field around Tailings Ponds 1, 2, 3, 4, and 5 estimated from measured groundwater levels within monitoring wells and data presented as hydraulic head contour maps;
 - h. Groundwater and surface Water sampling as part of the Hydrogeological Groundwater Study should be undertaken at approximately the same time and should take place during seasonally low-flow period. The Water quality shall be analyzed for, but not be limited to, Na, SO₄, Al, and Fe, and the information should be presented as a series of concentration contours on a map, accompanied by an interpretation of the data by a qualified hydrogeologist;
 - i. Provide discussion on the selection of tracer and synoptic survey Water quality parameters with consideration given to parameters of potential environmental concern;
 - j. A report which includes discussion and interpretation of results from the Hydrogeological Groundwater Study, including a description of the study methods and assumptions in the study;
 - k. The results of this study shall be used to determine the sampling point required for the final point(s) of discharge from the facilities. The final point(s) of discharge once determined shall replace Sampling Station 4-6 and shall be regulated as a new compliance point in this License; and
 - l. An analysis as to how the provisions of Part F, Item 2 contribute to a closure and reclamation plan.

F.3. The Licensee shall submit to the Board by May 1, 2009, for approval by an Analyst, a Quality Assurance and Quality Control Plan. The Plan shall be in accordance with Indian and Northern Affairs Canada's "Quality Assurance (QA) and Quality Control (QC) Guidelines for Use By Class "A" Licensees in Meeting SNP Requirements and for Submission of a QA/QC Plan, 1996", and shall include, but is not limited to, the following:

- a. A depiction of all sampling locations on a map that depicts relevant mine facilities and topographic features;
- b. Details of the type of markers used to identify stations through description and/or photographic record;
- c. A description of equipment and bottles used for sampling, rationale for choice of equipment, and description of how equipment is maintained and calibrated;
- d. A description of methods of sample collection and equipment used for each sample location;
- e. A description of preservation methods (e.g., concentration and amount of preservatives) for each sample location;
- f. A description of the system used to identify samples;
- g. Details on how sample integrity will be ensured from time of collection to completion of delivery;

- h. The name of commercial laboratory conducting analysis;
 - i. A letter from the commercial laboratory indicating accreditation to conduct analysis on each sampling parameter;
 - j. The detection limits identified for all parameters and reported when SNP data is submitted;
 - k. A description of any methods of analysis used that are not outlined in "Standard Methods for the Examination of Water and Wastewater";
 - l. A description of how precision and accuracy in analytical methods is ensured;
 - m. A description of how accuracy and precision in the laboratory is ensured;
 - n. A description of the information that will be reported in the monthly SNP reports and any control charts or graphs that will display accuracy and precision; and
 - o. Detail the number of replicate samples and field blanks collected and submitted with each SNP report.
- F.4. The Licensee shall submit to the Board for approval by June 15, 2009, an Erosion and Sediment Protection Plan prepared by an Engineer. Where applicable, the Plan shall be in accordance with the Dam Safety Guidelines and shall include, but is not limited to, the following:
- a. The details of engineering design of Tailings Ponds 1, 2, 3, 4, and 5 for floods associated with a flow rate that has an annual exceedance probability of 1/3 between the 1/1000 year flood and the probable maximum flood;
 - b. A description of flood evaluation;
 - c. The engineering design, material characteristics, and construction details for erosion protection and slope armoring of Tailings Ponds 1, 2, 3, 4, and 5;
 - d. The details of erosion and sediment protection for the entire site ;
 - e. The details of the monitoring program demonstrating the effectiveness and maintenance of all sediment and erosion control measures and vegetation success; and
 - f. An analysis as to how the provisions of Part F, Item 4 contribute to a closure and reclamation plan.
- F.5. The Licensee shall submit to the Board by April 1, 2009, for approval, a Waste Management Plan. The Plan shall describe in detail the management of all types of Waste generated, and shall include, but not be limited to, the following:
- a. Summary of types and quantities of Waste;
 - b. Disposal method(s) and location(s) for each type of Waste;
 - c. Recycling and source reduction activities;
 - d. Description of operations and management of each Waste type from source to disposal;
 - e. A Hazardous Waste Management Plan that is in general accord with the Government of Northwest Territories – Environment and Natural Resources "Guideline for the General Management of Hazardous Waste in the NWT", 1998; and
 - f. An analysis by an Engineer or Geoscientist as to how the provisions of Part F, Item 5 contribute to a closure and reclamation plan.
- F.6. The Licensee shall submit to the Board by September 1, 2010, for approval, a Geochemical Risk Assessment Report. The Report shall detail activities of a program to assess the long-term geochemical risks at Cantung mine, and shall include, but not be limited to, the following:

- a. An initial desktop survey of historical construction records, photos and correspondence to determine the history of Tailings and Waste Rock deposition onsite and past use of Tailings and Waste Rock for construction (e.g. Tailings embankments, road construction);
- b. An inventory of the quantity of potentially acid generating materials on site and the areas affected by these materials and exposures (including Tailings, Waste Rock, the underground mine and exposed walls);
- c. A description of how the testing conducted provides an understanding of the character of the mine Wastes from each potential source (including each Tailings-pond, Waste Rock piles, the underground mine and pit walls);
- d. Field and laboratory kinetic testing of potentially acid generating and potentially non-acid generating material to determine current source concentrations and to predict future source concentrations from these materials. The field and laboratory program shall incorporate, but not be limited to, the following:
 - i. Eight (8) field leach kinetic tests;
 - ii. Scale should be sufficiently large to include at least 150 kg of Waste material;
 - iii. Material placed in leaching tests should have geological description and solid phase geochemical characterization (static test) to allow association with comparable mine Waste at the site;
 - iv. At least two (2) field tests that should include Tailings to evaluate variable pH conditions and variable elemental content;
 - v. Monitoring wells installed in Tailings ponds to measure chemistry near Tailings cover interface in Tailings Ponds 1 and 2, and near the base of the impoundment in Tailings Ponds 1 and 2, and Tailings Ponds 3 or 4;
 - vi. A monitoring well installed in exposed acidic Tailings on the Flat River flood plain; and
 - vii. Materials identified as requiring additional kinetic testing based on the extent of the field kinetic test program and the mine Waste inventory.
- e. Static testing of:
 - i. Waste Rock produced from underground mine to document ARD risk of material deposited in the Waste Rock dump;
 - ii. Base material and surface material from the airstrip; and
 - iii. Materials identified as requiring additional static testing based on the quantity and type of Waste Rock that is determined from a mine Waste inventory.
- f. A detailed Water balance for the site, including on-site measurements of precipitation, evaporation, intake to the mill from the Flat River, and discharge from the mine site (including Tailings ponds, seepage, and culverts);
- g. The establishment of management plans for current and future site conditions with respect to ARD/ML potential, including mitigation measures and contingencies for exceedances; and
- h. An analysis by an Engineer or Geoscientist as to how the provisions of Part F, Item 6 contribute to a closure and reclamation plan.

- F.7. The Licensee shall submit to the Board for approval by January 31, 2011, a Geochemical Load Balance Model prepared by an Engineer or Geoscientist using the data from the approved studies under Part F, Items 2 and 6. This Model should include an analysis as to how the Model contributes to a closure and reclamation plan.
- F.8. The Licensee shall submit to the Board for approval by April 1, 2009, a Tailings Containment Area Monitoring Plan. The Plan shall include but is not limited to, the following:
- a. A summary table of cover design input variables noting what is known (measured or assumed) and unknown;
 - b. The rationale, detailed methods, and equipment employed for proposed monitoring;
 - c. A description of how the field monitoring program will assist in designing the cover, this shall include, but is not limited to: cover material characteristics; oxygen ingress and net infiltration into Tailings; moisture content and suction profiles with depth in the Tailings ponds; solids and pore Water geochemistry profile with depth in the Tailings ponds; and Water table in Tailings ponds;
 - d. A description of proposed methods to predict post-closure conditions for different Tailings cover options along with the evolution of oxidation and geochemistry in the Tailings;
 - e. A discussion of cover materials, availability, sampling, locations and quantity of source material identified with summary of field and lab results; and
 - f. An analysis by an Engineer or Geoscientist as to how the provisions of Part F, Item 8 contributes to a closure and reclamation plan.
- F.9. The Licensee shall submit to the Board for approval by December 1, 2011 a Tailings Containment Area Cover Design Study prepared by an Engineer. The Study shall include, but is not limited to, the following:
- a. The cover design alternatives analysis, including pros and cons;
 - b. A summary table of cover design input variables noting what is known (measured or assumed) and unknown, with description of the limitations of assumed and unknown variables on cover performance;
 - c. A summary of how the Tailings Containment Area Monitoring Plan and monitoring program was integrated into the design and monitoring of the cover system;
 - d. The Engineered design with supporting analysis, and description of the purpose of each component of the cover system;
 - e. The construction and materials specifications for the cover system;
 - f. The construction and materials Quality Assurance and Quality Control Plan program for the cover system;
 - g. The details of a monitoring program to assess, but not be limited to: cover performance; oxygen ingress into Tailings; net infiltration into Tailings; and, solids and pore Water geochemistry;
 - h. The details of how the monitoring program will confirm design assumptions;
 - i. A Contingency Plan outlining measures to be implemented should cover failure occur;
 - j. A Dust Management Plan for work occurring on the Tailings ponds; and
 - k. An analysis as to how the provisions of Part F, Item 9 contribute to a closure and reclamation plan.

- F.10. The Licensee shall submit to the Board for approval by December 1, 2009 a revised Tailings Management Plan. The Plan shall describe, the options for Tailings deposition and shall include, but is not limited to, the following:
- The physical properties of Tailings, including but not limited to, particle size, dry density, void ratio and saturated Water content;
 - An evaluation of Tailings disposal options and alternatives such as paste backfill, increased capacity to the existing Tailings ponds or the creation of new Tailings Containment Area infrastructure;
 - A qualitative and quantitative discussion outlining reasoning for Tailings disposal options;
 - A qualitative and quantitative discussion on the deposition plan (methods, operations and monitoring) for Tailings in the Tailings Containment Area;
 - An engineering discussion on Tailings volume deposition, volume as a function of time and Tailings storage volume as a function of elevation;
 - An evaluation of remaining storage capacity with mine reserves and estimate when Tailings disposal in other areas should be anticipated; and
 - An analysis by an Engineer as to how the provisions of Part F, Item 10 contribute to a closure and reclamation plan.
- F.11. The Licensee shall submit to the Board for approval 90 (ninety) days after issuance of the Licence a Groundwater Pumping Contingency Plan updated to current site conditions. The Plan shall describe actions to be taken if the Water quality at Station Numbers 4-27-4, 4-27-7 to 4-27-16, 4-28-1 and 4-28-2 inclusive, exceed the requirements specified in Part E, Item 11; and shall include, but is not limited to, the following:
- The details on how the Licensee plans to collect exfiltrate Waters from Tailings Ponds 1, 2, 3, 4, and 5;
 - The details on specific Water quality limits that will trigger pumping from each groundwater extraction well;
 - The details on expected groundwater extraction rates, duration of extraction, and Water quality for each groundwater extraction well;
 - The details on disposal location for groundwater produced from extraction wells;
 - The details on a volumetric Water balance for the disposal location including all sources and sinks of Water and demonstrate that the disposal location is capable of retaining the produced Water from the wells;
 - The depiction of the expected capture zone for each groundwater extraction well, under the expected groundwater extraction rates, on a topographic map depicting Tailings Ponds 1, 2, 3, 4, and 5, and topographic features; and
 - Should existing groundwater extraction wells be incapable of collecting exfiltrate Waters from Tailings Ponds 1, 2, 3, 4, or 5, installation of additional groundwater extraction wells shall be considered as a method to fulfill the objectives of the Groundwater Pumping Contingency Plan.
- F.12. The Licensee shall submit to the Board by February 1, 2010 a Historical Data and Interpretation Report of the Cantung Mine Site. This report shall include, but is not limited to, the following:
- All historical sampling data concerning Cantung Mine Site from all available sources;

- b. Illustrate all trends from the data in Part F, Item 12(a);
 - c. Provide an analysis of all the trends illustrated in Part F, Item 12(b); and
 - d. An analysis by an Engineer or Geoscientist as to how the provisions of Part F, Item 12 contribute to a closure and reclamation plan.
- F.13. The Licensee shall submit to the Board for approval by June 15, 2009 a Tailings Containment Area Operations Maintenance and Surveillance Manual as set out in the Dam Safety Guidelines Section 3, signed and stamped by an Engineer.
- F.14. The Licensee shall submit to the Board for approval by June 15, 2009 a Tailings Containment Area Emergency Preparedness Plan as set out in the Dam Safety Guidelines Section 4, signed and stamped an Engineer.
- F.15. The Licensee shall complete and submit a report for approval by the Board by February 15, 2009 that fulfills the requirements of a Canadian Standards Association (Z769) Phase II Environmental Site Assessment for the undertaking, including an analysis by an Engineer or Geoscientist as to how the Phase II Environmental Site Assessment contributes to a closure and reclamation plan.
- F.16. The Licensee shall complete and submit by March 31, 2009, for approval by the Board, a Qualitative Screening Assessment Report for the Flat River Tailings. This report shall fulfill the requirements of the Canadian Council of Ministers of the Environment's "Framework for Ecological Risk Assessment" and includes an analysis by an Engineer or Geoscientist as to how the Qualitative Screening Assessment contributes to a closure and reclamation plan.
- F.17. Based on the approved Report required by Part F, Item 16, the Licensee shall complete and submit by December 1, 2011 for approval by the Board a Detailed Quantitative Ecological Risk Assessment Report for the Flat River Tailings that fulfills the requirements of the Canadian Council of Ministers of the Environment's "Framework for Ecological Risk Assessment" and includes an analysis by an Engineer or Geoscientist as to how the Quantitative Risk Assessment Report contributes to a closure and reclamation plan.
- F.18. The Licensee shall revise and resubmit any Plan or Report required under Part F, Items 1 to 17 if not approved by the Board. The revised Plan shall be submitted to the Board at a time and in a form set out by the Board in a direction which will accompany such a rejection.

PART G: CONDITIONS APPLYING TO MODIFICATIONS

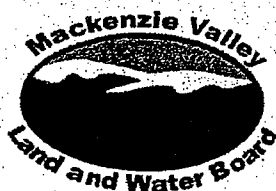
- G.1. The Licensee may, without written approval from the Board, carry out Modifications to the existing or planned physical works provided that such Modifications are consistent with the terms of this Licence and the following requirements are met:
- a. The Licensee has notified the Board in writing of such proposed Modifications at least 60 (sixty) days prior to the beginning of the Modifications;
 - b. Such Modifications do not place the Licensee in contravention of either the Licence or the Act;
 - c. The Board has not, during the 60 (sixty) days following notification of the proposed Modifications, informed the Licensee that review of the proposal will require more than 60 (sixty) days; and

- d. The Board has not rejected the proposed Modifications.
- G.2. Modifications, for which all of the conditions referred to in Part G, Item 1 have not been met, may be carried out only with written approval from the Board.
- G.3. The Licensee shall provide to the Board, as-built plans and drawings, stamped and signed by an Engineer, for any Modifications referred to in Part G, Item 1 within 90 (ninety) days of completion of the Modifications.

PART H: CONDITIONS APPLYING TO CLOSURE AND RECLAMATION

- H.1. The Licensee shall submit to the Board for approval a revised Closure and Reclamation Plan by March 31, 2010 in accordance with the Department of Indian and Northern Affairs Canada's "Mine Site Reclamation Guidelines for the Northwest Territories, 2007" or subsequent Closure and Reclamation guidelines as required by the Board. The Plan shall reflect the scenario of final closure. The Plan shall include the following:
 - a. A general description of the undertaking;
 - b. A description of the climate; and
 - c. A financial security estimate for mine reclamation considering Part H, Items 2, 3, and 4.
- H.2. When completing or revising the Closure and Reclamation Plan referenced in Part H, Item 1 the Licensee shall address the following components of the undertaking:
 - a. Underground Workings;
 - b. Open Pit Workings;
 - c. Waste Rock and Overburden Piles;
 - d. Stockpiles;
 - e. Burrow Pits;
 - f. Tailings Containment Area;
 - g. Waste Disposal Facilities;
 - h. Petroleum and chemical storage areas;
 - i. Water Supply Facilities;
 - j. Buildings and Infrastructure;
 - k. Airstrip;
 - l. Flat River Tailings;
 - m. Contaminated Soils;
 - n. Re-vegetation; and
 - o. All other infrastructure.
- H.3. When completing or revising the Closure and Reclamation Plan referenced in Part H, Item 1 the Licensee shall for each component listed in Part H, Item 2, provide a detailed engineering discussion on how information, data and conclusions from plans required under Part F, Items 1, 2, 4 to 10, 12 and 15 to 17 of this Licence will be incorporated into each of the following:
 - a. Closure objectives;
 - b. Closure criteria;
 - c. Reclamation activities and a detailed justification that they meet Part H, Item 3 (a) and (b);

- d. Physical Stability;
 - e. Chemical Stability;
 - f. Aesthetics and future use;
 - g. Closure Monitoring Program;
 - h. Location on a map drawn to scale depicting prior to closure conditions including SNP stations; and
 - i. Location on a map drawn to scale depicting post closure conditions including closure monitoring stations.
- H.4. The Licensee shall include a work plan when completing or revising the Closure and Reclamation Plan referenced in Part H, Item 1 detailing the timeline for completion of all research activities related to the reclamation work planned for each component of the undertaking listed in Part H, Item 2. This work plan shall identify links between research conducted and any information gaps addressed to establish measurable closure criteria.
- H.5. The Licensee shall include a work plan when completing or revising the Closure and Reclamation Plan referenced in Part H, Item 1 detailing the timeline for completion of the reclamation work planned for each component of the undertaking listed in Part H Item 2.
- H.6. The Licensee shall revise the Plan referred to in Part H, Item 1 if not approved. The revised Plan shall be submitted to the Board at a time and in a form as directed by the Board.
- H.7. The Licensee shall complete the reclamation work within the time schedule specified in the Plan, or as subsequently revised and approved by the Board.
- H.8. Once approved, the Licensee shall review the Closure and Reclamation Plan referenced in Part H, Item 1 annually and shall modify the Plan as necessary to reflect changes in operation, technology, and results of reclamation and/or other studies. The proposed modifications shall be submitted to the Board for approval.
- H.9. Upon implementation of the Closure and Reclamation Plan referenced in Part H, Item 1, the Licensee shall provide to the Board updates of all closure and reclamation activities by March 31st of each year.
- H.10. Eighteen (18) months prior to start of final closure and reclamation the Licensee shall apply to the Board for a new Licence specific to these activities.



MACKENZIE VALLEY LAND AND WATER BOARD SURVEILLANCE NETWORK PROGRAM

LICENSEE: North American Tungsten Corporation Ltd.

LICENCE NUMBER: MV2002L2-0019

EFFECTIVE DATE OF LICENCE: January 30, 2009

EFFECTIVE DATE OF SURVEILLANCE NETWORK PROGRAM (SNP): January 30, 2009

A. Location and Description of Surveillance Network Stations

Station number	Description	Monitoring Frequency
4-1	Flat River at the mine and mill freshwater intake, located in the Water Supply Facility. (Volume only)	Continuous
4-5	Flat River at bridge downstream of airstrip.	Monthly
4-6	Decant from active Tailings pond.	Monthly
4-9	Discharge of oil/Water separator at Metre 628 at Sardine Creek.	Discontinued
4-10	Any point between Tailings Pond 3 and Tailings Pond 4 where seepage is visible.	Inactive
4-11	Tailings Discharge pipe into active Tailings pond.	Inactive. Replaced with 4-30
4-12	Discharge from conveyor gallery.	Inactive. Replaced with 4-42
4-13	Discharge from "E" Zone.	Monthly
4-20	Drainage culvert from natural pond adjacent to the East corner of Tailings pond 3.	Monthly
4-21	Water Survey of Canada Stream gauge located on Flat River	Inactive

4-27-1	Groundwater monitoring well MW-1.	Inactive. Replaced with 4-27-16
4-27-2	Groundwater monitoring well MW-2.	Inactive
4-27-3	TP3-07-MW01/A.	Inactive. Replaced with 4-27-12
4-27-4	Groundwater monitoring well MW-5.	3/year Late June, August, October
4-27-5	TP3-07-MW02/A.	Inactive. Replaced with 4-27-13
4-27-6	Groundwater monitoring well BH-42.	Inactive. Replaced with 4-27-10
4-27-7	Groundwater monitoring well BH-43.	3/year Late June, August, October
4-27-8	Groundwater monitoring well BH-44.	3/year Late June, August, October
4-27-9	Groundwater monitoring well BH-53.	3/year Late June, August, October
4-27-10	TP4-07-MW01.	3/year Late June, August, October
4-27-11	TP5-07-MW01.	3/year Late June, August, October
4-27-12	TP3-07-MW01.	3/year Late June, August, October
4-27-13	TP3-07-MW02.	3/year Late June, August, October
4-27-14	Groundwater well southeast of Tailings Pond 5TP5 (between small creek and TP5).	3/year Late June, August, October
4-27-15	Groundwater well southeast of airstrip.	3/year Late June, August, October
4-27-16	Groundwater well East of Tailings Pond TP 1 & 2.	3/year Late June, August, October
4-27-17	Groundwater well upstream of Mine Site.	3/year Late June, August, October
4-28-1	Groundwater pumping well PW-1. (Designated as final Discharge point in MMER).	Monthly
4-28-2	Groundwater pumping well PW-2.	3/year Late June, August, October
4-29	Flat River, 3 Kilometres upstream of pumphouse.	Monthly
4-30	Mill Tailings at Tails Box in Mill.	Monthly
4-31	Sardine Creek Upstream of oil-water separator.	Inactive
4-32	Sardine Creek.	Monthly

4-33	Far Field Downstream Station 8.5 km – Flat River.	Monthly when accessible
4-33R	Far Field reserve Downstream Station 2.0 Km Flat River.	Monthly when 4-33 is not accessible
4-34	Seepage down gradient of the Fuel Berm.	When Seepage is visible
4-35	Decant from Sewage Disposal Facilities.	Inactive
4-36	Any point between Tailings Pond 3 and the Flat River, where seepage is visible.	When Seepage is visible
4-37	Any point between Tailings Pond 4 and the Flat river where seepage is visible.	When Seepage is visible
4-38	Any point between Tailings Pond 1 and the Flat river where seepage is visible.	When Seepage is visible
4-39	Any point between Tailings Pond 2 and the Flat river where seepage is visible.	When Seepage is visible
4-40	Surface Water point on Flat River between Tailings Ponds 2 and 4.	Monthly
4-41	Surface Water point on Flat River downstream of Tailings Pond 3.	Monthly
4-42	Minewater Pump in the mill.	Monthly

B. Sampling and Analysis Requirements

1. Water shall be sampled monthly at Station Numbers. 4-5, 4-10, 4-13, 4-20, 4-29, 4-32, 4-33 or if not accessible 4-33RR, 4-40, 4-41 and 4-42 and Station Numbers 4-34 and 4-36 to 4-39 when seepage is visible, and analysed for the following parameters:

ICP Metal Scan (Total and Dissolved)¹
 Total Ammonia
 Sulphate
 Alkalinity

EPH/BTEX
 Total Suspended Solids
 Total Dissolved Solids

2. Effluent shall be sampled monthly at Station No. 4-6 and analysed for the following parameters:

ICP Metal Scan
 (Total and Dissolved)¹
 Total Ammonia
 Sulphate
 Alkalinity
 BOD

EPH/BTEX
 Total Suspended Solids
 Total Dissolved Solids
 Faecal Coliforms
 Nutrients²

BOD
 Nutrients²
 Faecal
 Coliforms

3. Groundwater shall be sampled three times per year (approximately late June, August, and October) at Station Numbers. 4-27-4, 4-27-7 to 4-27-17 and Station Number 4-28-2 at the piezometers listed in the following table. Groundwater shall also be sampled at Station No. 4-28-1 monthly. All samples shall be analysed for the following parameters:

ICP Metal Scan (Total and Dissolved) ¹
 Total Suspended Solids
 Sulphate

EPH/BTEX
 Nutrients²
 Alkalinity

All piezometers at each well location shall be sampled if sufficient sample is available. The piezometric head and number shall be recorded.

The groundwater shall be sampled annually for cyanide.

Surveillance Station Number	Piezometers to be sampled		
4-27-1 Inactive	MW1-10	MW1-6	MW1-1
4-27-2 Inactive	MW2-7	MW2-4	MW2-1
4-27-3 Inactive	MW3-10	MW3-6	MW3-1
4-27-4	MW5-9	MW5-5	MW5-1
4-27-5 Inactive	MW6-13	MW6-8	MW6-1
4-27-6 Inactive	BH42-3	BH42-2	BH42-1
4-27-7	BH43-12	BH43-6	BH43-1
4-27-8	BH44-4	BH44-2	BH44-1
4-27-9	BH53		

4. Slurry at Station No. 4-30 shall be sampled monthly for the following parameters:

ICP Metal Scan (Dissolved) ¹
 Sulphate
 Alkalinity

Total Ammonia
 Total Dissolved Solids

5. All sampling, sample preservation, and analysis shall be conducted in accordance with methods prescribed in the current edition of "Standard Methods for the Examination of Water and Wastewater" at the time of analysis, or by such other methods approved by an Analyst.
6. All analyses shall be performed in a laboratory approved by an Analyst.
7. The Licensee shall annually review the approved Quality Assurance and Quality Control Plan referenced, in Part F, Item 3 and modify the Plan as necessary. Proposed modifications shall be submitted to an Analyst for approval.
8. The Quality Assurance and Quality Control Plan, referenced in Part F, Item 3, shall be implemented as approved by an Analyst.

C. Other Monitoring Requirements

1. The Licensee shall record and report the weekly quantity of Water in cubic metres withdrawn from the Water Supply Facility.
2. The Licensee shall record and report the quantity of ore milled in tonnes per month.
3. The Licensee shall record and report the weekly quantity of Waste in cubic metres discharged to the Tailings Containment Area.
4. The Licensee shall record and report the results of the weekly lithological identification and sulphur plus carbon analyses used to determine acid generating potential of Waste Rock.
5. The Licensee shall record and report the monthly composite mill tails sample that is analysed and used to characterize the potential for acid rock drainage potential.
6. The Licensee shall record and report the observations from the daily inspection of the Tailings Containment Area as required under Part E, Item 3 (c).
7. The Licensee shall record and report the data from the piezometers and inclinometers installed in Tailings Pond 4.

D. Reports

The Licensee shall, within 60 (sixty) days following the month being reported, submit to the Board all data and information, in an electronic and spreadsheet or database format acceptable to the Board, required by the "Surveillance Network Program" including the results of the approved Quality Assurance and Quality Control Plan.

Notes:

¹ICP-MS Metal Scan (Total or Dissolved) shall include at a minimum, the following parameters:

Aluminium	Arsenic*
Beryllium	Boron
Cadmium	Chromium
Cobalt	Copper
Iron	Lead
Manganese	Mercury
Molybdenum	Nickel
Selenium*	Silver
Strontium	Vanadium
Zinc	Tungsten

* Also to be analysed by Hydride Atomic Absorption

²Nutrients include the following parameters:

Total Ammonia
Ortho-Phosphorus
Nitrate-Nitrogen
Reactive Silica

Total Phosphorus
Total Dissolved Phosphorus
Total Kjeldhal Nitrogen
Total Organic Carbon

MACKENZIE VALLEY LAND AND WATER BOARD



Witness



Chair

Annexe A Schedule

Supplemental information to be submitted by Licensee as required through Licence Conditions

Licence Condition	Report Action	Title/Require	Timeline for Submission
Part B, Item 3	Annual Report		March 31 each year
Part B, Item 7	Identify SNP Station with Sign Postage		At all times
Part C, Item 1	Post and Maintain Security Deposit		
Part D, Item 3	Appropriate Screens on Water Intake		Submitted with annual Water fees
Part D, Item 4	Submit Water Use Fee		Prior to each new year
Part E, Item 3(c)	Daily Inspection of TCA		Monthly with SNP Report
Part E, Item 3(d)	Independent Dam Safety Review		Prior to September 30, 2010
Part E, Item 3(e)	Yearly inspection of TCA		Submitted 90 days after inspection
Part E, Item 14	Landfarm Design		60 days prior to construction
Part E, Item 15	Solid Waste Disposal Facility		60 days prior to construction

Part F, Item 1	Water Management Plan	May 1, 2009
Part F, Item 2	Hydrogeological Study and Synoptic Survey	December 1, 2010
Part F, Item 3	Quality Assurance/Quality Control Plan	March 1, 2009
Part F, Item 4	Erosion and Sediment Protection Plan	June 15, 2009
Part F, Item 5	Waste Management Plan	April 1, 2009
Part F, Item 6	Geochemical Risk Assessment Report	September 1, 2010
Part F, Item 7	Geochemical Load Balance	January 31, 2011
Part F, Item 8	Tailings Containment Area Monitoring Plan	April 1, 2009
Part F, Item 9	Tailings Containment Area Cover Study	December 1, 2011
Part F, Item 10	Tailings Management Plan	December 1, 2009
Part F, Item 11	Groundwater Pumping Contingency Plan	90 days after issuance of Licence
Part F, Item 13	Historical Data and Interpretation Report	February 1, 2010

Part F, Item 13	Operation Maintenance and Surveillance Plan	June 15, 2009
Part F, Item 14	Emergency Preparedness Plan	June 15, 2009
Part F, Item 15	Environmental Site Assessment, Phase 2	February 15, 2009
Part F, Item 16	Qualitative Risk Assessment of Historic Flat River Tailings	March 31, 2009
Part F, Item 17	Quantitative Risk Assessment of Historic Flat River Tailings	December 1, 2011
Part G, Item 1	Notification of Modifications	60 days prior
Part G, Item 2	Dam Classification Communication	Prior to Part G Item 1
Part G, Item 3	Modification As-Built Drawings and Plans	90 days after completion of construction
Part H, Item 1	Closure and Reclamation Plan	

SCHEDULE B**EXISTING LETTER OF CREDIT AND NOTES**

**North American Tungsten Corporation Limited -
Reclamation Security Agreement
Contribution Status as at August 16, 2010**

<u>Date</u>	<u>Cash</u>	<u>Notes</u>
May 31, 2005	\$1,700,000	\$2,200,000
November 29, 2005	\$500,000	\$1,000,000
November 29, 2006	\$500,000	\$1,000,000
November 29, 2007	\$500,000	[\$500,000 note delivered on this date has been returned to NATC]
December 1, 2008	\$138,148.30	n/a
March 2, 2009	\$100,000	\$1,200,000
July 1, 2009	\$100,000	\$1,200,000
February 1, 2010	\$100,000	\$1,200,000
Total Contributions	\$3,638,148.30	\$7,800,000
Interest Earned to August 16, 2010	\$391,765.38	
Total Including Interest	\$4,029,913.68	

Note 1: The cash described above is to be replaced by a letter of credit in form and substance satisfactory to Canada and in the amount of \$4,130,000 on September 1, 2010 and which includes the \$100,000 contribution due on September 1, 2010.

Note 2: The February 1, 2010 Note will be amended and restated as a note dated September 1, 2010 in the amount of \$947,839.

SCHEDULE C

MACTUNG ASSETS

There are 8 leases in NWT, which are as follows:

Lot 166 M.L. 2605
 Lot 167 M.L. 2692
 Lot 197 M.L. 2886
 Lot 213 M.L. 2887
 Lot 214 M.L. 2888
 Lot 215 M.L. 2889
 Lot 216 M.L. 2890
 Lot 217 M.L. 2891

Yukon Claims and Leases

District	Grant Number	Reg Type	Claim Name	Claim Nbr	Operation Recording Date	Claim Expiry Date	Status	Quartz Lease	Total Excess Credit	NTS Map Number	Non-Std Size	Ops Number
Mayo	Y 26657	Quartz	Betty Border	20	25/07/1968	25/07/2010	Active			105O08		1500041925
Mayo	Y 28949	Quartz	No.	4	30/08/1968	09/05/2016	Active	4153		105O08		1500041931
Mayo	Y 33472	Quartz	Pit	2	09/09/1970	09/09/2010	Active			105O08		1500041969
Mayo	Y 33473	Quartz	Pit	3	09/09/1970	09/09/2010	Active			105O08		1500041970
Mayo	Y 33475	Quartz	Pit	5	09/09/1970	09/09/2010	Active			105O08		1500041972
Mayo	Y 33484	Quartz	Par	5	09/09/1970	09/09/2010	Active			105O08		1500041980
Mayo	Y 33498	Quartz	Par	19	09/09/1970	09/09/2010	Active			105O08		1500041984
Mayo	Y 33501	Quartz	Par	22	09/09/1970	09/09/2010	Active			105O08		1500041997
Mayo	Y 68360	Quartz	Gull	6	17/07/1972	17/07/2010	Active			105O08		1500042029
Mayo	Y 68380	Quartz	DONNA	1	07/08/1972	09/05/2016	Active	4159		105O08	Partial Quartz fraction (Partial Quartz fraction (<25 acres))	1500042039
Mayo	YB03251	Quartz	Wasteful Betty 3A	1	06/09/1989	08/09/2010	Active			105O08		1500048671
Mayo	YA77400	Quartz	Extens		28/09/1983	28/09/2010	Active			105O08		1500046610
Mayo	YC39601	Quartz	Grind	14	12/09/2005	12/09/2010	Active			105O08		1500090706
Mayo	YC39606	Quartz	Grind	19	12/09/2005	12/09/2010	Active			105O08		1500090711
Mayo	YC39610	Quartz	Grind	23	12/09/2005	12/09/2010	Active			105O08		1500090724
Mayo	YC39620	Quartz	Grind	33	12/09/2005	12/09/2010	Active			105O08		1500090742
Mayo	YC39623	Quartz	Grind	36	12/09/2005	12/09/2010	Active			105O08		1500090745
Mayo	YC01358	Quartz	NAT 1F	1	26/08/1998	26/08/2010	Active			105O08	Partial Quartz fraction (Partial Quartz fraction (<25 acres))	1500067817
Mayo	YC01366	Quartz	NAT9F	9	26/08/1998	26/08/2010	Active			105O08	Partial Quartz fraction (Partial Quartz fraction (<25 acres))	1500067825
Mayo	YC39588	Quartz	Grind	1	12/09/2005	12/09/2010	Active			105O08		1500090683
Mayo	YC39593	Quartz	Grind	6	12/09/2005	12/09/2010	Active			105O08		1500090688
Mayo	Y 33483	Quartz	Par	4	09/09/1970	09/09/2010	Active			105O08		1500041979
Mayo	Y 33486	Quartz	Par	7	09/09/1970	09/09/2010	Active			105O08		1500041982
Mayo	Y 33487	Quartz	Par	8	09/09/1970	09/09/2010	Active			105O08		1500041983
Mayo	Y 68355	Quartz	Gull	1	17/07/1972	17/07/2010	Active			105O08	Partial Quartz fraction (Partial Quartz fraction (<25 acres))	1500042024
Mayo	YC01361	Quartz	NAT4F	4	26/08/1998	26/08/2010	Active			105O08		1500067820
Mayo	YC39608	Quartz	Grind	21	12/09/2005	12/09/2010	Active			105O08		1500090722

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District	Grant Number	Reg Type	Claim Name	Claim Nbr	Operation Recording Date	Claim Expiry Date	Status	Quartz Lease	Total Excess Credit	NTS Map Number	Non-Std Size	Ops Number
Mayo	YC39612	Quartz	Grind	25	12/09/2005	12/09/2010	Active			105O08		1500090726
Mayo	Y 33502	Quartz	Par	23	09/09/1970	09/09/2010	Active			105O08		1500041998
Mayo	Y 14738	Quartz	Pat No.	8	08/05/1968	09/05/2016	Active	4143		105O08		1500041888
Mayo	Y 26952	Quartz	Border No. Betty 13 Extens	7	30/08/1968	09/05/2016	Active	4156		105O08	Partial Quartz fraction (Partial Quartz fraction (<25 acres))	1500041934
Mayo	YA77402	Quartz			28/09/1983	28/09/2010	Active			105O08		1500046612
Mayo	YC39590	Quartz	Grind	3	12/09/2005	12/09/2010	Active			105O08		1500090885
Mayo	YC39614	Quartz	Grind	27	12/09/2005	12/09/2010	Active			105O08		1500090728
Mayo	Y 33499	Quartz	Par	20	09/09/1970	09/09/2010	Active			105O08		1500041995
Mayo	Y 26950	Quartz	Border NO. Border 3A Exten	5	30/08/1968	09/05/2016	Active	4154		105O08	Partial Quartz fraction (Partial Quartz fraction (<25 acres))	1500041932
Mayo	YA77392	Quartz	Border No. Border 10 Exten		28/09/1983	28/09/2010	Active			105O08		1500046602
Mayo	Y 26951	Quartz		6	30/08/1968	09/05/2016	Active	4155		105O08		1500041933
Mayo	YA77397	Quartz			28/09/1983	28/09/2010	Active			105O08		1500046607
Mayo	YC01362	Quartz	NAT5F	5	26/08/1998	26/08/2010	Active			105O08	Partial Quartz fraction (Partial Quartz fraction (<25 acres))	1500067821
Mayo	YC01368	Quartz	NAT11F	11	26/08/1998	26/08/2010	Active			105O08	Partial Quartz fraction (Partial Quartz fraction (<25 acres))	1500067827
Mayo	Y 26641	Quartz	BETTY NO.	12	25/07/1968	29/07/2025	Active	NM00 413		105O08	Partial Quartz fraction (Partial Quartz fraction (<25 acres))	1500041909
Mayo	Y 26955	Quartz	BORDE R NO. PAT NO.	10	30/08/1968	29/07/2025	Active	NM00 422		105O08	Partial Quartz fraction (Partial Quartz fraction (<25 acres))	1500041937
Mayo	Y 14751	Quartz		21	09/05/1968	29/07/2025	Active	NM00 410		105O08		1500041891
Mayo	YC39609	Quartz	Grind	22	12/09/2005	12/09/2010	Active			105O08		1500090723
Mayo	Y 26644	Quartz	BETTY NO. BETTY NO.	5	25/07/1968	29/07/2025	Active	NM00 416		105O08	Full Quartz fraction (25+ acres)	1500041912
Mayo	Y 26640	Quartz		11	25/07/1968	29/07/2025	Active	NM00 412		105O08		1500041908
Mayo	Y 33477	Quartz	Pit	7	09/09/1970	09/09/2010	Active			105O08		1500041974
Mayo	Y 14731	Quartz	Pat No.	1	09/05/1968	09/05/2016	Active	4137		105O08		1500041880
Mayo	Y 14738	Quartz	Pat No.	6	09/05/1968	09/05/2016	Active	4141		105O08		1500041884
Mayo	YA77391	Quartz	Border 3 Extens Betty 3		28/09/1983	28/09/2010	Active			105O08		1500046601
Mayo	YA77399	Quartz	Extensi		28/09/1983	28/09/2010	Active			105O08		1500046609
Mayo	YC01367	Quartz	NAT10F	10	26/08/1998	26/08/2010	Active			105O08	Partial Quartz fraction (Partial Quartz fraction (<25 acres))	1500067826
Mayo	Y 26645	Quartz	BETTY NO.	6	25/07/1968	29/07/2025	Active	NM00 417		105O08	Partial Quartz fraction (Partial Quartz fraction (<25 acres))	1500041913
Mayo	Y 33481	Quartz	Par	2	09/09/1970	09/09/2010	Active			105O08		1500041977
Mayo	Y 33489	Quartz	Par	10	09/09/1970	09/09/2010	Active			105O08		1500041985
Mayo	Y 26801	Quartz	Pat No.	25	12/08/1968	09/05/2016	Active	4148		105O08	Full Quartz fraction (25+ acres)	1500041926
Mayo	YC01371	Quartz	NAT14F	14	26/08/1998	26/08/2010	Active			105O08	Partial Quartz fraction (Partial Quartz fraction (<25 acres))	1500067830

District	Grant Number	Reg Type	Claim Name	Claim Nbr	Operation Recording Date	Claim Expiry Date	Status	Quartz Lease	Total Excess Credit	NTS Map Number	Non-Std Size Quartz fraction (<25 acres)	Ops Number
Mayo	YC39595	Quartz	Grind	8	12/09/2005	12/09/2010	Active			105O08		1500090690
Mayo	YC39598	Quartz	Grind	11	12/09/2005	12/09/2010	Active			105O08		1500090697
Mayo	YC39600	Quartz	Grind	13	12/09/2005	12/09/2010	Active			105O08		1500090699
Mayo	Y 33482	Quartz	Par	3	09/09/1970	09/09/2010	Active			105O08		1500041978
Mayo	Y 33497	Quartz	Par	18	09/09/1970	09/09/2010	Active			105O08		1500041993
Mayo	Y 14752	Quartz	Pat No.	22	09/05/1968	09/05/2016	Active	4146		105O08		1500041892
Mayo	Y 14754	Quartz	Pat No.	24	09/05/1968	09/05/2016	Active	4147		105O08		1500041894
Mayo	Y 26643	Quartz	BETTY NO.	4	25/07/1968	29/07/2025	Active	NM00 415		105O08	Full Quartz fraction (25+ acres) Partial Quartz fraction (Partial Quartz fraction (<25 acres))	1500041911
Mayo	Y 26647	Quartz	BETTY NO. PAT NO.	8	25/07/1968	29/07/2025	Active	NM00 419 NM00 409		105O08		1500041915
Mayo	Y 14749	Quartz	NO.	19	09/05/1968	29/07/2025	Active			105O08		1500041889
Mayo	YC39618	Quartz	Grind	31	12/09/2005	12/09/2010	Active			105O08		1500090740
Mayo	YC39603	Quartz	Grind	16	12/09/2005	12/09/2010	Active			105O08		1500090708
Mayo	YC39615	Quartz	Grind	28	12/09/2005	12/09/2010	Active			105O08		1500090729
Mayo	Y 14750	Quartz	Pat No. Border No.	20	09/05/1968	09/05/2016	Active	4145		105O08		1500041890
Mayo	Y 26947	Quartz	Border 1 Extens	2	30/08/1968	09/05/2016	Active	4151		105O08		1500041929
Mayo	YA77390	Quartz			28/09/1983	28/09/2010	Active			105O08		1500046600
Mayo	YC39611	Quartz	Grind	24	12/09/2005	12/09/2010	Active			105O08		1500090725
Mayo	YC39617	Quartz	Grind	30	12/09/2005	12/09/2010	Active			105O08	Partial Quartz fraction (Partial Quartz fraction (<25 acres))	1500090739
Mayo	YC01363	Quartz	NAT6F	6	26/08/1998	26/08/2010	Active			105O08		1500067822
Mayo	Y 26655	Quartz	Betty	18	25/07/1968	25/07/2010	Active			105O08		1500041923
Mayo	Y 33480	Quartz	Par	1	09/09/1970	09/09/2010	Active			105O08		1500041976
Mayo	Y 33490	Quartz	Par	11	09/09/1970	09/09/2010	Active			105O08		1500041986
Mayo	Y 26648	Quartz	BETTY NO.	9	25/07/1968	29/07/2025	Active	NM00 420		105O08	Full Quartz fraction (25+ acres) Partial Quartz fraction (Partial Quartz fraction (<25 acres))	1500041916
Mayo	YC01370	Quartz	NAT13F	13	26/08/1998	26/08/2010	Active			105O08		1500067829
Mayo	YC39589	Quartz	Grind	2	12/09/2005	12/09/2010	Active			105O08		1500090684
Mayo	YC39622	Quartz	Grind	35	12/09/2005	12/09/2010	Active			105O08		1500090744
Mayo	Y 26638	Quartz	Betty	1	25/07/1968	25/07/2010	Active			105O08		1500041906
Mayo	Y 26651	Quartz	Betty	14	25/07/1968	25/07/2010	Active			105O08		1500041919
Mayo	Y 33471	Quartz	Pit	1	09/09/1970	09/09/2010	Active			105O08		1500041968
Mayo	Y 33492	Quartz	Par	13	09/09/1970	09/09/2010	Active			105O08		1500041988
Mayo	Y 68357	Quartz	Gull	3	17/07/1972	17/07/2010	Active			105O08		1500042026
Mayo	Y 14748	Quartz	Pat No.	18	09/05/1968	09/05/2016	Active	4144		105O08		1500041888
Mayo	YC39613	Quartz	Grind	26	12/09/2005	12/09/2010	Active			105O08		1500090727
Mayo	YC39616	Quartz	Grind	29	12/09/2005	12/09/2010	Active			105O08		1500090738
Mayo	Y 33494	Quartz	Par	15	09/09/1970	09/09/2010	Active			105O08		1500041990
Mayo	Y 68356	Quartz	Gull	2	17/07/1972	17/07/2010	Active			105O08		1500042025
Mayo	Y 14733	Quartz	Pat No.	3	09/05/1968	09/05/2016	Active	4138		105O08		1500041881
Mayo	Y 26946	Quartz	Border No. Border	1	30/08/1968	09/05/2016	Active	4150		105O08	Full Quartz fraction (25+ acres)	1500041928
Mayo	YA77394	Quartz	5A		28/09/1983	28/09/2010	Active			105O08		1500046604

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District	Grant Number	Reg Type	Claim Name Exten	Claim Nbr	Operation Recording Date	Claim Expiry Date	Status	Quartz Lease	Total Excess Credit	NTS Map Number	Non-Std Size	Ops Number
Mayo	Y 26639	Quartz	Betty	2	25/07/1968	25/07/2010	Active			105O08		1500041907
Mayo	Y 26652	Quartz	Betty	15	25/07/1968	25/07/2010	Active			105O08		1500041920
Mayo	Y 33500	Quartz	Par	21	09/09/1970	09/09/2010	Active			105O08		1500041996
Mayo	Y 68358	Quartz	Gull	4	17/07/1972	17/07/2010	Active			105O08		1500042027
Mayo	Y 26948	Quartz	Border No.	3	25/08/1968	09/05/2016	Active	4152		105O08	Full Quartz fraction (25+ acres)	1500041930
Mayo	YA77398	Quartz	Border 9 Extens		28/09/1983	28/09/2010	Active			105O08	Partial Quartz fraction (Partial Quartz fraction (<25 acres))	1500046606
Mayo	YC01365	Quartz	NAT8F	8	26/08/1998	26/08/2010	Active			105O08		1500067824
Mayo	YC39591	Quartz	Grind	4	12/09/2005	12/09/2010	Active			105O08		1500090686
Mayo	YC39597	Quartz	Grind	10	12/09/2005	12/09/2010	Active			105O08		1500090696
Mayo	YC39619	Quartz	Grind	32	12/09/2005	12/09/2010	Active			105O08		1500090741
Mayo	YC39621	Quartz	Grind	34	12/09/2005	12/09/2010	Active			105O08		1500090743
Mayo	Y 26654	Quartz	Betty	17	25/07/1968	25/07/2010	Active			105O08		1500041922
Mayo	Y 33474	Quartz	Pit	4	09/09/1970	09/09/2010	Active			105O08		1500041971
Mayo	Y 33485	Quartz	Par	8	09/09/1970	09/09/2010	Active			105O08		1500041981
Mayo	Y 33496	Quartz	Par	17	09/09/1970	09/09/2010	Active			105O08		1500041992
Mayo	Y 68361	Quartz	Gull	7	17/07/1972	17/07/2010	Active			105O08	Full Quartz fraction (25+ acres)	1500042030
Mayo	Y 26954	Quartz	Border No. Betty 4	9	30/08/1968	09/05/2016	Active	4158		105O08		1500041938
Mayo	YA77398	Quartz	Extensi		28/09/1983	28/09/2010	Active			105O08	Partial Quartz fraction (Partial Quartz fraction (<25 acres))	1500046608
Mayo	Y 26649	Quartz	BETTY NO. PAT NO.	10	25/07/1968	29/07/2025	Active	NM00 421 NM00 408		105O08		1500041917
Mayo	Y 14747	Quartz	NO.	17	09/05/1968	29/07/2025	Active			105O08		1500041887
Mayo	Y 26653	Quartz	Betty	16	25/07/1968	25/07/2010	Active			105O08		1500041921
Mayo	Y 33478	Quartz	Pit	8	09/09/1970	09/09/2010	Active			105O08		1500041975
Mayo	Y 33491	Quartz	Par	12	09/09/1970	09/09/2010	Active			105O08		1500041987
Mayo	Y 33503	Quartz	Par	24	09/09/1970	09/09/2010	Active			105O08		1500041999
Mayo	Y 14734	Quartz	Pat No. Border 5	4	09/05/1968	09/05/2016	Active	4139		105O08		1500041882
Mayo	YA77398	Quartz	Extens		28/09/1983	28/09/2010	Active			105O08	Full Quartz fraction (25+ acres)	1500046603
Mayo	Y 26646	Quartz	BETTY NO. PAT NO.	7	25/07/1968	29/07/2025	Active	NM00 418 NM00 411		105O08		1500041914
Mayo	Y 14753	Quartz	NO.	23	09/05/1968	29/07/2025	Active			105O08	Partial Quartz fraction (Partial Quartz fraction (<25 acres))	1500041893
Mayo	YC01369	Quartz	NAT12F	12	26/08/1998	26/08/2010	Active			105O08		1500067828
Mayo	YC39602	Quartz	Grind	15	12/09/2005	12/09/2010	Active			105O08		1500090707
Mayo	YC39604	Quartz	Grind	17	12/09/2005	12/09/2010	Active			105O08		1500090709
Mayo	YC01359	Quartz	NAT2F	2	26/08/1998	26/08/2010	Active			105O08	Partial Quartz fraction (Partial Quartz fraction (<25 acres))	1500067818
Mayo	YC01360	Quartz	NAT3F	3	26/08/1998	26/08/2010	Active			105O08	Partial Quartz fraction (Partial Quartz fraction (<25 acres))	1500067819
Mayo	Y 26650	Quartz	Betty	13	25/07/1968	25/07/2010	Active			105O08		1500041918
Mayo	Y 33476	Quartz	Pit	6	09/09/1970	09/09/2010	Active			105O08		1500041973
Mayo	Y 33488	Quartz	Par	9	09/09/1970	09/09/2010	Active			105O08		1500041984

District	Grant Number	Reg Type	Claim Name	Claim Nbr	Operation Recording Date	Claim Expiry Date	Status	Quartz Lease	Total Excess Credit	NTS Map Number	Non-Std Size	Ops Number
Mayo	Y 33495	Quartz	Par	16	09/09/1970	09/09/2010	Active			105O08		1500041991
Mayo	Y 14735	Quartz	Pat No.	5	09/05/1968	09/05/2016	Active	4140		105O08		1500041883
			Border No. Dawn 1 Extensio	8	30/08/1968	09/05/2016	Active	4157		105O08	Partial Quartz fraction (Partial Quartz fraction (<25 acres))	1500041935
Mayo	Y 26953	Quartz								105O08		1500046811
Mayo	YA77401	Quartz			28/09/1983	28/09/2010	Active			105O08		1500046811
			BETTY NO.	3	25/07/1968	29/07/2025	Active	NM00 414		105O08	Partial Quartz fraction (Partial Quartz fraction (<25 acres))	1500041910
Mayo	Y 26642	Quartz	Grind	18	12/09/2005	12/09/2010	Active			105O08		1500090710
Mayo	YC39605	Quartz	Grind	20	12/09/2005	12/09/2010	Active			105O08		1500090713
Mayo	YC39607	Quartz	Grind	5	12/09/2005	12/09/2010	Active			105O08		1500090687
Mayo	YC39592	Quartz	Grind	9	12/09/2005	12/09/2010	Active			105O08	Full Quartz fraction (25+ acres)	1500090691
Mayo	YC39596	Quartz	Grind	7	12/09/2005	12/09/2010	Active	4142		105O08		1500041885
Mayo	Y 14737	Quartz	Pat No.	26	12/08/1988	09/05/2016	Active	4149		105O08	Full Quartz fraction (25+ acres)	1500041927
Mayo	Y 26802	Quartz	Grind	7	12/09/2005	12/09/2010	Active			105O08		1500090689
Mayo	YC39594	Quartz	Grind	12	12/09/2005	12/09/2010	Active			105O08		1500090698
Mayo	YC39598	Quartz	Grind							105O08	Partial Quartz fraction (Partial Quartz fraction (<25 acres))	1500067823
Mayo	YC01364	Quartz	NAT7F Border 6 Extens	7	28/08/1998	28/08/2010	Active			105O08		1500046605
Mayo	YA77395	Quartz			28/09/1983	28/09/2010	Active			105O08		1500041924
Mayo	Y 26656	Quartz	Betty	19	25/07/1968	25/07/2010	Active			105O08		1500041989
Mayo	Y 33493	Quartz	Par	14	09/09/1970	09/09/2010	Active			105O08		1500042028
Mayo	Y 68359	Quartz	Gull	5	17/07/1972	17/07/2010	Active			105O08		

SECOND AMENDED AND RESTATED SUBORDINATION AGREEMENT**WHEREAS:**

- A. HER MAJESTY THE QUEEN IN RIGHT OF CANADA, as represented by the MINISTER OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT ("DIAND") has caused, or will cause, the following registrations (the "DIAND Registrations") to be effected in respect of the security interests granted by North American Tungsten Corporation Ltd. (the "Debtor") to DIAND pursuant to an amended and restated reclamation security agreement (including as same may be further amended, supplemented, revised or replaced from time to time, the "DIAND Agreement") dated as of August 24, 2010 entered into between the Debtor and DIAND:

<u>Jurisdiction</u>	<u>Registration No.</u>
Northwest Territories PPR	386839
Yukon PPR	03068 (an additional registration will be made on or about August 24, 2010)
Notice to Third Parties to be filed with the Mining Recorder, Yellowknife, Northwest Territories	to be completed
Filing of the DIAND Agreement with the Yukon Mining Recorder	to be completed

- B. HSBC Bank Canada (the "Bank") has caused the following registrations (the "HSBC Registrations") to be effected in respect of security interests granted to the Bank by the Debtor under a security agreement (the "Bank Security") to secure credit facilities made available by the Bank to the Debtor from time to time:

<u>Jurisdiction of PPR</u>	<u>Date of Registration</u>	<u>Registration No.</u>
British Columbia	March 1, 2006	868920C
Northwest Territories	March 6, 2006	403758
Yukon	March 2, 2006	2006/03/02 03522

- C. DIAND provided an amended and restated subordination agreement in favour of the Bank dated as of June 24, 2009 (the "First Restated Subordination Agreement") and the Bank and DIAND wish to further amend and restate the First Restated Subordination Agreement.

NOW THEREFORE in consideration of the premises and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereby agree as follows:

- Notwithstanding the relative order of execution, registration, advance, delivery, attachment, possession, perfection or demand, the security interests of DIAND or the Bank in and to the present and after acquired assets of the Debtor, including, without limiting the generality of the foregoing security interests granted to DIAND pursuant to the DIAND Agreement and security interests granted to the Bank pursuant to the Bank Security, the Bank's security interests in all of the property assets and undertakings of the Debtor of whatsoever nature and kind, now owned or hereafter acquired by or on behalf of the Debtor relating to the property owned and/or operated by the Debtor being known as the Mactung Mine or proceeds generated out of such property, assets and undertakings, including without limitation, as described on Schedule "C" of the

DIAND Agreement (collectively, the "DIAND Collateral") shall be subordinated and postponed to the security interests of DIAND in and to the DIAND Collateral in all respects.

2. The DIAND Agreement charges only the DIAND Collateral, and DIAND has no security interest in the assets of the Debtor, other than in respect of or pursuant to the DIAND Agreement.
3. In the event that, while the Debtor remains indebted to DIAND under the DIAND Agreement, the Bank receives any distribution of assets or payment of any kind whatsoever from the Debtor or by and on behalf of the Debtor as the result of the Bank's security interest in the DIAND Collateral, the Bank shall hold such payment in trust as property of DIAND for the benefit of DIAND and shall immediately pay over or deliver to DIAND such asset or payment for application on the Debtor's obligations under the DIAND Agreement.
4. No failure by the Bank or DIAND to exercise, and no delay by the Bank or DIAND in exercising any right, remedy or power shall operate as a waiver thereof by the Bank or DIAND nor shall any partial exercise of any right, remedy or power preclude any other or future exercise of any right, remedy or power.
5. Each of the Bank and DIAND agrees that it will not dispute or contest the validity, enforceability, priority or perfection of any lien contained in or created by the Bank Security or the DIAND Security.
6. Each of the Bank and DIAND shall execute such other deeds, agreements or documents and take such further actions, as may be necessary or desirable to give effect to the terms of this agreement.
7. This agreement shall enure to the benefit of the parties and their respective successors and assigns, and shall be binding upon the parties and their respective personal representatives, successors and assigns, as the case may be.
8. This agreement may be executed in any number of counterparts (including by way of facsimile and electronic PDF transmission) and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

DATED as of August 24, 2010.

**HER MAJESTY THE QUEEN IN RIGHT OF
CANADA, as represented by THE MINISTER
OF INDIAN AFFAIRS AND NORTHERN
DEVELOPMENT**

Per:  _____

HSBC BANK CANADA

Per: _____

- 2 -

and postponed to the security interests of DIAND in and to the DIAND Collateral in all respects.

2. The DIAND Agreement charges only the DIAND Collateral, and DIAND has no security interest in the assets of the Debtor, other than in respect of or pursuant to the DIAND Agreement.
3. In the event that, while the Debtor remains indebted to DIAND under the DIAND Agreement, the Bank receives any distribution of assets or payment of any kind whatsoever from the Debtor or by and on behalf of the Debtor as the result of the Bank's security interest in the DIAND Collateral, the Bank shall hold such payment in trust as property of DIAND for the benefit of DIAND and shall immediately pay over or deliver to DIAND such asset or payment for application on the Debtor's obligations under the DIAND Agreement.
4. No failure by the Bank or DIAND to exercise, and no delay by the Bank or DIAND in exercising any right, remedy or power shall operate as a waiver thereof by the Bank or DIAND nor shall any partial exercise of any right, remedy or power preclude any other or future exercise of any right, remedy or power.
5. Each of the Bank and DIAND agrees that it will not dispute or contest the validity, enforceability, priority or perfection of any lien contained in or created by the Bank Security or the DIAND Security.
6. Each of the Bank and DIAND shall execute such other deeds, agreements or documents and take such further actions, as may be necessary or desirable to give effect to the terms of this agreement.
7. This agreement shall enure to the benefit of the parties and their respective successors and assigns, and shall be binding upon the parties and their respective personal representatives, successors and assigns, as the case may be.
8. This agreement may be executed in any number of counterparts (including by way of facsimile and electronic PDF transmission) and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

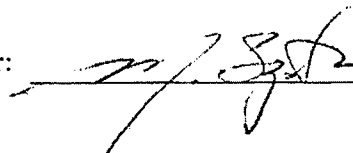
DATED as of August 24, 2010.

**HER MAJESTY THE QUEEN IN RIGHT OF
CANADA, as represented by THE MINISTER
OF INDIAN AFFAIRS AND NORTHERN
DEVELOPMENT**

Per: _____

HSBC BANK CANADA

Per: _____



MICHAEL SZETO
SENIOR ACCOUNT MANAGER
COMMERCIAL BANKING

AMENDED AND RESTATED PROMISSORY NOTE

\$947,839

September 1, 2010

WHEREAS North American Tungsten Corporation Ltd. ("NATC") is required to provide security for its obligations pursuant to a Class A Water License Number MV2002L2-0019 issued by the Mackenzie Valley Land and Water Board on the 30th of January 2009 as amended to the date hereof ("Water License");

AND WHEREAS in accordance with the Water License NATC is required to provide security for its obligations;

AND WHEREAS NATC delivered a promissory note in the amount of \$1,200,000 on February 1, 2010 (the "February 2010 Note") and as the result of amendments to the Water License, NATC's requirements to deliver security for such obligations has been reduced;

AND WHEREAS, NATC and Her Majesty the Queen in Right of Canada as represented by the Minister of Indian Affairs and Northern Development have entered into an Amended and Restated Security Agreement with respect to, *inter alia*, NATC's obligations to provide security for the Water License (the "RSA");

AND WHEREAS capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to such terms in the RSA;

AND WHEREAS, NATC and the Minister have agreed to amend and restate the February 2010 Note;

NOW THEREFORE FOR VALUE RECEIVED NATC hereby promises to pay to the order of the Minister the principal sum of nine hundred and forty-seven thousand and eight hundred and thirty-nine dollars (\$947,839).

NATC hereby waives diligence, demand, presentment, protest and notice of any kind, and assents to extensions of the time of payment, release, surrender or substitution of security, or forbearance or other indulgence, without notice. NATC agrees to pay all amounts of principal, interest, and fees under this Promissory Note without offset, deduction, claim, counterclaim, defense or recoupment, all of which are hereby waived by NATC.

In the event the Minister or any holder hereof shall retain or engage legal counsel to collect, enforce or protect its interests with respect to this Promissory Note, NATC shall pay all of the reasonable costs and expenses of such collection, enforcement or protection, including reasonable legal fees, whether or not suit is instituted.

This Promissory Note shall be governed by and construed in accordance with the laws of the province of British Columbia and shall be binding upon the successors and assigns of NATC and inure to the benefit of the Minister and its successors, endorsees and assigns. If any term or provision of this Promissory Note shall be held invalid, illegal or unenforceable, the validity of all other terms and provisions hereof shall in no way be affected thereby.

- 2 -

NORTH AMERICAN TUNGSTEN
CORPORATION LTD.

Per: 

Name: Stephen Leahy

Title: Chairman + CEO

Per: 

Name: Christina Scott

Title: Corporate Secretary

PROMISSORY NOTE

\$1,200,000

July 1, 2009

WHEREAS North American Tungsten Corporation Ltd. ("NATC") is required to provide security for its obligations pursuant to a Class A Water License Number MV2002L2-0019 issued by the Mackenzie Valley Land and Water Board on the 30th of January 2009 ("Water License").

WHEREAS in accordance with the Water License NATC is required to provide security for its obligations.

NOW THEREFORE FOR VALUE RECEIVED NATC hereby promises to pay to the order of the Minister the principal sum of One Million and Two Hundred Thousand Dollars (\$1,200,000).

NATC hereby waives diligence, demand, presentment, protest and notice of any kind, and assents to extensions of the time of payment, release, surrender or substitution of security, or forbearance or other indulgence, without notice. NATC agrees to pay all amounts of principal, interest, and fees under this Promissory Note without offset, deduction, claim, counterclaim, defense or recoupment, all of which are hereby waived by NATC.

In the event the Minister or any holder hereof shall retain or engage legal counsel to collect, enforce or protect its interests with respect to this Promissory Note, NATC shall pay all of the reasonable costs and expenses of such collection, enforcement or protection, including reasonable legal fees, whether or not suit is instituted.

This Promissory Note shall be governed by and construed in accordance with the laws of the province of British Columbia and shall be binding upon the successors and assigns of NATC and inure to the benefit of the Minister and its successors, endorsees and assigns. If any term or provision of this Promissory Note shall be held invalid, illegal or unenforceable, the validity of all other terms and provisions hereof shall in no way be affected thereby.

**NORTH AMERICAN TUNGSTEN
CORPORATION LTD.**

Per: Name: *Stephen Leach*Title: *CEO*Per: Name: *Christina Scott*Title: *Corp. Sec.*

PROMISSORY NOTE**\$100,000****March 1, 2009**

WHEREAS North American Tungsten Corporation Ltd. ("NATC") is required to provide security for its obligations pursuant to a Class A Water License Number MV2002L2-0019 issued by the Mackenzie Valley Land and Water Board on the 30th of January 2009 ("Water License").

WHEREAS in accordance with the Water License NATC is required to provide security for its obligations.

NOW THEREFORE FOR VALUE RECEIVED NATC hereby promises to pay to the order of the Minister the principal sum of One Hundred Thousand Dollars (\$100,000).

NATC hereby waives diligence, demand, presentment, protest and notice of any kind, and assents to extensions of the time of payment, release, surrender or substitution of security, or forbearance or other indulgence, without notice. NATC agrees to pay all amounts of principal, interest, and fees under this Promissory Note without offset, deduction, claim, counterclaim, defense or recoupment, all of which are hereby waived by NATC.

In the event the Minister or any holder hereof shall retain or engage legal counsel to collect, enforce or protect its interests with respect to this Promissory Note, NATC shall pay all of the reasonable costs and expenses of such collection, enforcement or protection, including reasonable legal fees, whether or not suit is instituted.

This Promissory Note shall be governed by and construed in accordance with the laws of the province of British Columbia and shall be binding upon the successors and assigns of NATC and inure to the benefit of the Minister and its successors, endorsees and assigns. If any term or provision of this Promissory Note shall be held invalid, illegal or unenforceable, the validity of all other terms and provisions hereof shall in no way be affected thereby.

**NORTH AMERICAN TUNGSTEN
CORPORATION LTD.**

Per: 

Name: Stephen Leahy

Title: CEO

Per: 

Name: Christina Scott

Title: Corporate Secretary

PROMISSORY NOTE

\$1,000,000

November 29, 2006

WHEREAS North American Tungsten Corporation Ltd. (NATC) is required to provide security for its obligations under a Reclamation Security Agreement between NATC and Her Majesty the Queen as represented by the Minister of Indian Affairs and Northern Development, (including as same may be amended, supplemented, revised, restated or replaced from time to time, the "RSA").

Capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to such terms in the RSA.

NOW THEREFORE FOR VALUE RECEIVED NATC hereby promises to pay to the order of the Minister the principal sum of One Million Dollars (\$1,000,000) upon the occurrence of a Default.

The whole of the principal amount shall immediately become due and payable upon the occurrence of a Default.

NATC hereby waives diligence, demand, presentment, protest and notice of any kind, and assents to extensions of the time of payment, release, surrender or substitution of security, or forbearance or other indulgence, without notice. NATC agrees to pay all amounts of principal, interest, and fees under this Promissory Note without offset, deduction, claim, counterclaim, defense or recoupment, all of which are hereby waived by NATC.

In the event the Minister or any holder hereof shall retain or engage legal counsel to collect, enforce or protect its interests with respect to this Promissory Note, NATC shall pay all of the reasonable costs and expenses of such collection, enforcement or protection, including reasonable legal fees, whether or not suit is instituted.

This Promissory Note shall be governed by and construed in accordance with the laws of the province of British Columbia and shall be binding upon the successors and assigns of NATC and inure to the benefit of the Minister and its successors, endorsees and assigns. If any term or provision of this Promissory Note shall be held invalid, illegal or unenforceable, the validity of all other terms and provisions hereof shall in no way be affected thereby.

**NORTH AMERICAN TUNGSTEN
CORPORATION LTD.**

Per: 

Name: Stephen M. Leahy

Title: CEO

Per: 

Name: Christina P. Scott

Title: Corporate Secretary

PROMISSORY NOTE

,000,000

November 29, 2005

WHEREAS North American Tungsten Corporation (NATC) is required to provide security for its obligations under a Reclamation Security Agreement between NATC and Her Majesty the Queen as represented by the Minister of Indian Affairs and Northern Development, (including as same may be amended, supplemented, revised, restated or replaced from time to time, the "RSA").

Capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to such terms in the RSA.

NOW THEREFORE FOR VALUE RECEIVED NATC hereby promises to pay to the order of the Minister the principal sum of One Million Dollars (\$1,000,000) upon the occurrence of a Default.

The whole of the principal amount shall immediately become due and payable upon the occurrence of a Default.

NATC hereby waives diligence, demand, presentment, protest and notice of any kind, and assents to extensions of the time of payment, release, surrender or substitution of security, or forbearance or other indulgence, without notice. NATC agrees to pay all amounts of principal, interest, and fees under this Promissory Note without offset, deduction, claim, counterclaim, defense or recoupment, all of which are hereby waived by NATC.

In the event the Minister or any holder hereof shall retain or engage legal counsel to collect, enforce or protect its interests with respect to this Promissory Note, NATC shall pay all of the reasonable costs and expenses of such collection, enforcement or protection, including reasonable legal fees, whether or not suit is instituted.

This Promissory Note shall be governed by and construed in accordance with the laws of the province of British Columbia and shall be binding upon the successors and assigns of NATC and inure to the benefit of the Minister and its successors, endorsees and assigns. If any term or provision of this Promissory Note shall be held invalid, illegal or unenforceable, the validity of all other terms and provisions hereof shall in no way be affected thereby.

**NORTH AMERICAN TUNGSTEN
CORPORATION**

Per: 

Name:

Title:

Per: 

Name:

Title:

PROMISSORY NOTE

\$2,200,000

May 25, 2005

WHEREAS North American Tungsten Corporation (NATC) is required to provide security for its obligations under a Reclamation Security Agreement between NATC and Her Majesty the Queen as represented by the Minister of Indian Affairs and Northern Development, (including as same may be amended, supplemented, revised, restated or replaced from time to time, the "RSA").

Capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to such terms in the RSA.

NOW THEREFORE FOR VALUE RECEIVED NATC hereby promises to pay to the order of the Minister the principal sum of Two Million Two Hundred Thousand Dollars (\$2,200,000) upon the occurrence of a Default.

The whole of the principal amount shall immediately become due and payable upon the occurrence of a Default.

NATC hereby waives diligence, demand, presentment, protest and notice of any kind, and assents to extensions of the time of payment, release, surrender or substitution of security, or forbearance or other indulgence, without notice. NATC agrees to pay all amounts of principal, interest, and fees under this Promissory Note without offset, deduction, claim, counterclaim, defense or recoupment, all of which are hereby waived by NATC.

In the event the Minister or any holder hereof shall retain or engage legal counsel to collect, enforce or protect its interests with respect to this Promissory Note, NATC shall pay all of the reasonable costs and expenses of such collection, enforcement or protection, including reasonable legal fees, whether or not suit is instituted.

This Promissory Note shall be governed by and construed in accordance with the laws of the province of British Columbia and shall be binding upon the successors and assigns of NATC and inure to the benefit of the Minister and its successors, endorsees and assigns. If any term or provision of this Promissory Note shall be held invalid, illegal or unenforceable, the validity of all other terms and provisions hereof shall in no way be affected thereby.

**NORTH AMERICAN TUNGSTEN
CORPORATION**

Per: Name: Stephen LeohyTitle: Chairman & CEOPer: Name: CHRISTINA SCOTTTitle: CORPORATE SECRETARY

This is Exhibit "**B**" referred to in the affidavit of **Mark Warren**, sworn before me at Vancouver, in the Province of British Columbia, this 7th day of July, 2015.

A handwritten signature in black ink, appearing to read "M. Bully", is written over a horizontal line.

A Commissioner for taking Affidavits in and for the
Province of British Columbia



**MINE SITE RECLAMATION
POLICY FOR THE
NORTHWEST TERRITORIES**

A large, grainy black and white photograph that serves as the background for the lower half of the page. It depicts a mine site with a large, dark, vertical structure on the right side. In the foreground, several workers wearing hard hats are visible, standing on a rocky or uneven surface. The overall scene is one of active mining and industrial activity.

Canada

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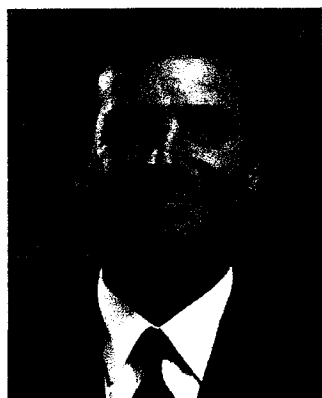
© Minister of Public Works and Government
Services Canada

Cette publication peut aussi être obtenue
en français sous le titre :
**Politiques de remise en état des sites miniers
des Territoires du Nord-Ouest**

Cover photo of mine site reclamation grass plots courtesy of
BHP Billiton Diamonds Inc.

MINE SITE RECLAMATION POLICY FOR THE NORTHWEST TERRITORIES

A policy for the protection of the environment and the disposition of liability relating to mine closures in the Northwest Territories.



Message from the Minister of Indian Affairs and Northern Development

I am pleased to present the *Mine Site Reclamation Policy for the Northwest Territories*. This policy reflects the Government of Canada's desire to ensure a strong resource management base in the Northwest Territories while reducing the impacts to the environment and human health.

The development of this policy has included a broad-based consultation process involving representatives from Aboriginal organizations, industry, stakeholders, Northern boards and the territorial governments.

Sustainable resource development is essential to the North. Our objective is to strengthen federal standards for both the protection of the environment and the reclamation of mine sites. Through this policy we are establishing a clear standard and are providing clarity and certainty for industry and other stakeholders which will lead to sustainable and responsible development in the North.

I would like to acknowledge and thank all those who have contributed to the development of this policy. We must continue to work together to create an industry that is sustainable, profitable and environmentally responsible.

Sincerely,

A handwritten signature in black ink, appearing to read 'Robert D. Nault'.

Honourable Robert D. Nault

Minister of Indian Affairs and Northern Development

INTRODUCTION

For more than a hundred years, mines have been operating in Canada's North, providing important economic benefits, not only for northerners, but to all Canadians. Mining in the North has been good for Canada. A rough estimate of the cumulative value of metal and mineral production for the three territories since 1977 is over \$18 billion.

However, some mining operations closed without adequately addressing their clean-up and reclamation responsibilities, leaving hundreds of millions of dollars of clean-up costs to the federal government. While this represents a relatively small percentage of the economic benefit, in absolute terms it still amounts to a substantial burden on the government's accounts.

The Department of Indian Affairs and Northern Development (DIAND) continues to look for opportunities to improve the way it carries out its resource management responsibilities. DIAND considers the development of the Mine Site Reclamation Policy for the Northwest Territories an important new step in the development of a comprehensive mineral resource management component of the Department's Sustainable Development Strategy.

The public is becoming more concerned about the growing number of insolvencies and abandoned mining properties, which are leaving significant environmental liabilities. This increased consciousness has led to outward expressions of concern and questioning of support for mining in the North.

DIAND is concerned with the public's eroding confidence in northern mining. It also recognizes the desire to build a

strong resource management base in the Northwest Territories. Both complement DIAND's thinking and its ongoing search for opportunities to improve the way resource management responsibilities are carried out across Canada's three northern territories.

The development of this Policy was not the only option available. Government continues to look at various legislative and regulatory initiatives to support the principles set out in this Policy. However, legislative and regulatory changes take a relatively long time to accomplish, and it is important to deal with this issue in the context of current legislation, from the perspective of operating mines preparing to close in the next few years and new mines expected to open shortly.

It is critical to have resource management tools in place in the Northwest Territories as soon as possible. Industry, investors, environmental interests and Aboriginal communities all share the desire for certainty, consistency and clarity.

The Mine Site Reclamation Policy for the Northwest Territories serves four main objectives.

- Ensure the impact of mining on the environment and human health and safety is minimized.
- Reduce the environmental liability that falls to government to the greatest extent possible.
- Provide industry and the public with a clear signal of the government's expectations.

A MINE SITE RECLAMATION POLICY FOR THE NORTHWEST TERRITORIES

- Build positive and supportive relationships with the new regulatory authorities coming into operation in the North.

DIAND also recognizes that many of the provisions incorporated within this Policy are governmental “principles” that provide general guidance and direction. They work in harmony with the existing regulatory framework and the regulators charged with their application. It is not the intent of this Policy to supplant or diminish these existing regulatory authorities or the organizations that have been created to carry them out.

DIAND has been guided by The Minerals and Metals Policy of the Government of Canada, wherein specific reference is made to the challenges associated with mine site reclamation and the federal government's direct responsibilities in the three territories.

It should also be noted that DIAND is developing another complementary policy that relates to orphaned or abandoned sites, including mines. It is called the Policy on the Management of Contaminated Sites in Canada's North. This proposed policy is part of DIAND's commitment to reduce or eliminate the human health and safety dangers posed by contaminated sites, including abandoned mines.

In addition to legislation governing conventional mining, the mining of uranium and other related hazardous minerals is regulated by specific legislation (e.g., *The Nuclear Safety and Control Act*).

This Policy is intended to be consistent with the legislative, regulatory and policy instruments in effect in the Northwest Territories.

The Policy offers guidance for the planning and implementation of mine site reclamation in the Northwest Territories. To a large degree, the principles outlined in this Policy have already been adopted and adhered to by the federal government and industry, within the existing regulatory framework in the Northwest Territories. This Policy codifies, clarifies and provides more certainty. It gives a template for the development and enhancement of operational procedures and processes required to ensure that objectives are met.

Enforcement of regulatory provisions related to mine site reclamation will continue to be undertaken through the existing regulatory regime. The *Territorial Lands Act* and its regulations, the *Northwest Territories Waters Act* and the *Mackenzie Valley Resource Management Act* will be the primary vehicles used, although other pieces of federal and territorial legislation are also in play (e.g., *Fisheries Act* and the *Canadian Environmental Protection Act*).

The environmental assessment processes will continue to identify and consider the environmental, social, cultural and economic effects of a mining project and its reclamation, and ensure the potentially affected public participates during the monitoring and reporting of mine site reclamation.

A M I N E S I T E R E C L A M A T I O N P O L I C Y F O R T H E N O R T H W E S T T E R R I T O R I E S

The principles and objectives laid out in this Policy will guide DIAND's decision-making powers in matters where DIAND has authority and will shape DIAND's position as an intervener in regulatory processes carried out by resource management boards.

DIAND will continue to be guided by other federal policies concerning regulatory efficiency and environmental protection. Given the number of regulatory authorities emerging in the North, it is critical that this Policy be integrated with the existing regulatory and policy framework.

APPLICATION

Given the multi-jurisdictional landscape in the North, application of this Policy depends on the circumstances. It will provide internal guidance to DIAND staff in the drafting of terms and conditions of regulatory instruments over which the Department retains jurisdiction and in the preparation of interventions to the resource management boards within the territory. The Policy will also inform the resource management boards of the Minister's expectations in terms of their work and what the Minister will be looking for in the regulatory instruments submitted for the Minister's approval. Finally, it tells industry what is expected in its project designs (as it relates to reclamation planning) and what industry can expect from regulatory decision makers, thereby "fixing the goal posts" and thus reducing ad hoc, case-by-case interpretation.

This Policy applies to new and existing mines, whether operating or not, with clearly identified owners/operators. It does not cover orphaned or abandoned sites, which will fall under the proposed Policy on the Management of Contaminated Sites in Canada's North.

The Policy applies only to developed mines and to those mining-related activities that take place on mine sites. It does not apply to activities undertaken during the prospecting, exploration or advanced exploration stages of the development of a mineral property.

This Policy is virtually identical to the Mine Site Reclamation Policy for Nunavut and is intended to cover mining properties which might straddle the Northwest Territories-Nunavut border. Yukon mining activities are not managed under the *Territorial Lands Act*/Canada Mining

Regulations, and a modified policy vehicle is being developed which is consistent with Yukon's legislative and regulatory framework. It is intended that it will complement its Northwest Territories and Nunavut counterparts, to create a consistent pan-Northern policy framework.

PRINCIPLES FOR MINE SITE RECLAMATION

The following principles respecting mine site reclamation should provide proponents, boards and government departments with certainty, clarity and consistency regarding expectations, from project design to operations and post-closure.

1. General

- Mine site reclamation should reflect the collective desire and commitment to operate under the principles of sustainable development, including the “polluter pays” principle.
- The required standard of reclamation should be based on the 1994 Whitehorse Mining Initiative definition: “returning mine sites and affected areas to viable and, wherever practicable, self-sustaining ecosystems that are compatible with a healthy environment and with human activities.”
- Every new mining operation should be able to support the cost of reclamation. Existing mining operations will also be held accountable for their reclamation liabilities.
- Adequate security should be provided to ensure the cost of reclamation, including shutdown, closure and post-closure, is born by the operator of the mine rather than the Crown.
- Best management practices, including progressive reclamation, should be applied to advance environmental protection and reduce environmental risks.

- Communication and consultation among all applicable parties should be comprehensive, complete and timely.

2. Reclamation Planning

- Every mine should, at all times, have a mine closure and reclamation plan, which includes measures to be taken in the event of a temporary closure.
- The direct closure impact of all components of a mine site should be addressed as an integral part of the design criteria during the detailed engineering phase of the project, including tailings handling, disposal of chemicals and hydrocarbons and pit shutdown.
- The selection of key reclamation and closure alternatives should be based on current and comprehensive technical information generated by experts, such as competent, credible consultants.
- Mine closure and reclamation plans should be sufficiently flexible to allow adjustments as the life of the mine progresses, including the flexibility to adapt to new and improved technologies and methodologies, and allowing for progressive reclamation, while ensuring obligations under the plans are met.

3. Post-Closure Responsibilities

- Following mine closure, mining companies or their future owners should continue to be responsible for the site, including the remediation of any additional environmental complications which develop.

4. Financial Security

- The total financial security for final reclamation required at any time during the life of the mine should be equal to the total outstanding reclamation liability for land and water combined (calculated at the beginning of the work year, to be sufficient to cover the highest liability over that time period).
- Estimates of reclamation costs, for the purposes of financial security should be based on the cost of having the necessary reclamation work done by a third party contractor if the operator defaults. The estimates should also include contingency factors appropriate to the particular work to be undertaken.
- The recognized methodology for calculating reclamation costs for the purposes of financial security, should be the RECLAIM or some other appropriate model.
- Consideration should be given to alternate or innovative forms of security, such as mine reclamation trusts, provided they meet certain

criteria that protect the government's interests and objectives.

- Financial security requirements related to reclamation should be clearly set out in water licences, land leases and other regulatory instruments, though there may be circumstances where security requirements may be more appropriately dealt with through an agreement.
- Mining operators should be credited for approved progressive reclamation, and the value of financial security required should be adjusted in a timely fashion.

5. Regulatory Authorities

- There should be, to the extent possible, co-ordination among the various regulatory authorities sharing jurisdiction with respect to the management of lands and water to facilitate the consistent application of this Policy, particularly as it relates to the provision of financial assurance for environmental liability.
- The regulatory regime governing mine site reclamation should provide industry and stakeholders with the certainty and clarity required to accept the risks associated with mine developments.
- Status reports on the progress of mine site reclamation and revisions to plans should be required, pursuant to the relevant regulatory instruments.

IMPLEMENTATION CONSIDERATIONS

The following implementation considerations provide an explanatory framework and add detail to the principles set out above.

Mine Closure and Reclamation Plans

All proposals for a new mine must include a mine closure and reclamation plan. This is critical to the long-term future and environmental legacy of the development site. For greater efficiency, a plan should integrate the requirements associated with leasing surface rights and water licensing.

Required Standard of Reclamation

Site-specific criteria should be developed by regulators for assessing the adequacy of plans and their implementation, based on the 1994 Whitehorse Mining Initiative principle of "returning mine sites and affected areas to viable and, wherever practicable, self-sustaining ecosystems that are compatible with a healthy environment and with human activities," including applicable archiving of reports, records, etc.

Where regulatory boards with jurisdiction for land and water management have developed specific guidelines and standards of environmental rehabilitation, these will be adopted for use in the applicable region.

Elements of Mine Closure and Reclamation Plans

Planning for closure, before development occurs, provides the opportunity to develop a flexible and cost-effective design, which helps ensure mine reclamation takes place and the responsibility for costs is borne by industry. It can be expected that techniques and methodology for mine site reclamation will continue to evolve with changes to our scientific understanding and technology.

Therefore, approaches to mine site reclamation need to remain dynamic, and evolving "best practices" should be an integral component of reclamation planning.

Best practices for both regulatory and voluntary/non-regulatory efforts include policies, programs, technologies, reclamation research and other measures that have been found to be cost effective and environmentally appropriate. Best practices encompass and build on measures embodied within local, national and international initiatives.

A Plan should fully address the following.

- The progressive reclamation of the site during the life of the operation, to the extent feasible, given the mining and processing methods employed.
- The removal or stabilization of any structures and workings remaining at the site after closure to ensure that, over time, they remain physically sound and no threat to public safety.
- The design of tailings and waste rock disposal areas to accepted engineering standards for slope, stability and erosion control.
- The reclamation of the surface to meet acceptable standards.
- Meeting or exceeding currently accepted standards of water quality for drainage from the site.
- Ensuring the site is left in a condition which will minimize or eliminate long-term care and maintenance requirements.

- A cost estimate of the work required to close and reclaim the mine, for each year of the proposed operating life, needs to be part of the plan. (Cost estimates should be based on the work being performed by an independent contractor in case the operator defaults. Estimates should include contingency factors appropriate to the particular work to be undertaken.)
 - A list of contingency measures for temporary closure of the mine, outlining specific actions and their scheduling, to be taken during the temporary closure. (As temporary closure is commonly an uncertain condition, the schedule will be necessarily progressive as each week, month, season or year passes.)
 - A plan for post-closure monitoring of the site including a monitoring schedule and reporting frequencies. (For a monitoring program to be meaningful, it must include provision for appropriate progressive responses which trigger action whenever exceeded, including the establishment of thresholds or the identification of changes in circumstances.)
- waste rock disposal management;
 - quarries and open pits;
 - petroleum and chemical storage areas and facilities;
 - pipelines and electrical transmission lines;
 - sewage and waste disposal areas and facilities;
 - mine and site drainage systems;
 - mine workings;
 - mine shaft, adit and decline openings;
 - site hydrology and water quality including water flows leaving the site;
 - revegetation of the site where practicable;
 - recycling of materials; and
 - site specific requirements.

Progress Reporting on Reclamation

Status reports on the progress of mine site reclamation work should be submitted to the relevant regulatory authority periodically. Since reporting on progressive reclamation is directly related to amendments to the financial security, the timing and content of the reports should match the provisions found in each plan relating to amendments to the financial security (see Financial Security).

Status reports need not be elaborate documents, but should include basic details, such as the reclamation work performed, amount of materials moved, dollars spent and a general account of areas yet to be reclaimed.

Mine Closure and Reclamation Plan Revisions (Updates)

When revisions to mining plans require significant changes in reclamation requirements, an amendment to the plan will be required, in addition to the above described

The plan should describe detailed measures for the reclamation, closure and decommissioning of the mine including but not necessarily limited to:

- buildings and other structures;
- roads and airstrips;
- tailings disposal facilities and management;

progress report. In many cases, these changes will require an environmental screening, and amendments to licences and permits through the regulatory process.

A significant component of any revision will be the evaluation of the degree to which reclamation costs will vary as a result of changes to the mining plan and the implications for the amount of financial assurance already in place.

Financial Security

A key element of the Plan is the relationship between the closure and reclamation obligations, and the financial security provided to ensure the liability for reclamation remains with the mining company. There are a number of issues relating to financial security which must be considered as part of this policy.

1. Forms of Security

Financial security for mine site reclamation for new mines must be readily convertible to cash. Such security must have the following basic criteria:

- Subject to applicable legislation and due process, it must provide the Crown with immediate, unconditional, unencumbered access to the full amount of the security.
- It must retain its full value throughout the life of the mine and, if applicable, beyond.
- It must remain beyond the control of the mining company, or its creditors in the event of insolvency.

The Minister may consider new or innovative forms of security, such as reclamation trusts, provided they meet the above criteria.

2. Co-ordination Among Regulatory Agencies

Regulatory authority to require financial assurance for mine site reclamation is not contained in a single statute. On Crown-owned lands in the Mackenzie Valley, DIAND has jurisdiction with respect to land leases and related security issues. The Mackenzie Valley Land and Water Board has the jurisdiction to determine the amount of security in water licences and land-use permits, while the Minister of DIAND has the power to determine the form of security provided under these instruments.

Since financial security has become a multi-jurisdictional issue, co-ordination is an important consideration. To ensure that financial security is most efficiently and effectively applied, DIAND will facilitate discussions between the various regulatory bodies to promote the co-ordination of financial security obligations.

This will include:

- developing and updating of recognized standards, models and assumptions for calculating reclamation costs (e.g., RECLAIM model);
- ensuring that, at any given time during the life of the mine, the total financial security for mine site reclamation in place, subject to the timing of any application for credit for progressive reclamation, is equal to the total outstanding reclamation liability

of the mine site, and the financial security for closure-related activities, imposed by land and water jurisdictions cumulatively, does not exceed the total reclamation cost estimates for both the land-related and water-related reclamation elements at each mine;

- ensuring that the terms, conditions and notification processes in financial security are compatible for all regulatory instruments; and
- co-ordinating the regulatory determinations required from each decision maker (e.g., the Minister, the Northwest Territories Water Board or the Mackenzie Valley Land and Water Board) to facilitate the integration of all financial security obligations.

3. Progressive Reclamation

Ongoing reclamation throughout the life of the mine is preferable from both the environmental and financial liability perspectives. The financial security of a mining project will be adjusted to reflect progressive reclamation on the following basis:

- When ongoing reclamation work reduces the outstanding environmental liability, it will result in a reduction in the level of financial security required to be maintained.
- Credit for progressive reclamation work should be made in a timely fashion in accordance with authorities set out in the applicable legislation.

- The value of reclamation work will be based on generally accepted modelling (e.g., the RECLAIM model) and calculated as the difference between previous outstanding liability and estimates made of the remaining liability following the reclamation work (as opposed to actual costs, if actual costs do not fully reduce outstanding liability).
- The amount of financial security on deposit will normally increase proportionately as mining proceeds. Generally, this implies that as the mine site grows, water usage increases and the cost to restore a site expands. Accordingly, reclamation costs are usually estimated to rise over the life of the mine. However, as reclamation work is performed, the environmental liability is reduced and the financial security required may decrease proportionately.
- If, during a specific period, the value of any progressive reclamation exceeds the value of new reclamation liability created through additional mining operations, DIAND would reduce the amount of security required through the surface lease and would support an application by the mining company to the Land and Water Board to reduce the amount of the water licence security accordingly.
- Progressive reclamation may not reduce the financial assurance required to zero. Sometimes, a residual amount is required to meet other licensing obligations.

Post-Closure Reclamation and Final Decommissioning

Near the end of production when closure is anticipated, the most recent approved plan will be the basis for final decommissioning. As reclamation work is successfully completed and environmental liability is reduced, the amount of financial assurance required will be proportionately reduced and the surplus refunded.

Where applicable, in addition to the physical aspects of closure, pertinent records should be collected, prepared and archived. These could include a survey of any underground workings, drill cores and broader environmental data and reports.

Once the reclamation work required by the plan is deemed completed, the site will be allowed to stabilize. During this time, monitoring will be conducted by the company and verified by DIAND and other agencies as appropriate, with respect to the effectiveness of the mitigative measures, the accuracy of the environmental assessment and any unforeseen environmental impacts. The duration of the required monitoring phase will be reviewed and confirmed at the time of closure and will depend on the risks associated with the potential impacts on the environment.

During this period, the mining company will continue to be responsible for the site, including remediation of any additional environmental complications which develop. If warranted by site conditions, the monitoring period may be extended to ensure remedial measures are met.

Some mines are anticipated to require long-term care and maintenance after closure.

Examples include sites where:

- acid mine drainage requires neutralization by water treatment;
- tailings containment structures require periodic monitoring and maintenance; and
- remediation technologies are not proven.

The Minister may hold back an appropriate amount of financial assurance to cover future requirements for the site. In such cases, the mining company will be responsible for the care and maintenance of the site, but will also maintain a claim to any remaining financial assurance.

When the Minister is satisfied the operator has met the requirements for decommissioning under the relevant legislation and that the objectives of the plan have been fully met, the Minister will provide the mining company with a written acknowledgement to that effect.

TRANSITION RULES FOR EXISTING MINES

This Policy covers existing mining operations. However, it is recognized that the status of reclamation planning and the degree of financial assurance in effect varies considerably from mine to mine. Therefore, the application of certain aspects of this Policy will have to take into account the specific situation and issues of individual mines on a case-by-case basis.

For existing operations, the financial security provided to the Minister for reclamation obligations should be increased in increments to 100 per cent coverage as soon as possible, but not later than the forecast life of the mine. Only when a mine operator could conclusively demonstrate that it was financially incapable of doing so, and the Minister was satisfied that it was in the public's best interests, would the Minister consider options relating to the form, amount or schedule for the provision of financial security.

All reclamation liabilities created by future operations would be subject to the same requirement to provide full security as new mines.

INSOLVENCIES

The issue of what happens when the operators of existing mines become insolvent poses a distinct and unique challenge to both the regulatory system and the application of this Policy. When a mine operator seeks court protection from creditors under either the *Companies' Creditors Arrangement Act* or the *Bankruptcy and Insolvency Act*, the company does so with the intent to negotiate with its creditors a financial restructuring that will allow the company to emerge from court protection as a viable entity. When this process is successful, the mine operator remains liable for the closure and reclamation of the mine.

However, when this process is not successful, the creditors of the company will frequently have the court appoint a receiver or Interim Receiver under the provisions of the *Bankruptcy and Insolvency Act* to sell the assets of the company. The negotiations with prospective purchasers of a mine within insolvency proceedings will frequently involve DIAND as the representative of the Crown, as a creditor of the insolvent operator and as an environmental regulator. While DIAND will be as co-operative as possible in trying to facilitate such a sale, the Crown will **not** compromise or assume environmental liability to facilitate a sale of a mine for the benefit of creditors.

When a property is abandoned by a receiver, Interim Receiver, or Trustee in bankruptcy, DIAND will take any measures necessary to safeguard human health and safety and the environment using the authority of the Minister under the *Northwest Territories Waters Act*. Under this Act,

the costs of such measures will be recovered from the financial security provided by the operator. Should these costs exceed the value of the security provided by the operator, the excess becomes a debt due to the Crown which, under the *Companies' Creditors Arrangement Act* and the *Bankruptcy and Insolvency Act* is secured by a first charge over the property. If the property is subsequently sold, the Crown intends to recover any debts due to the Crown from the proceeds of the sale of the property.

When a mine operator is insolvent and a mine is abandoned by a receiver, Interim Receiver or Trustee in bankruptcy, because the unsecured environmental liabilities exceed the economic value of the mine, which means the property cannot be sold in a conventional sale, DIAND would consider entering into a transaction with a purchaser for the mine on the following basis:

- The sale would generate the maximum benefit to the Crown in terms of reducing the net liability remaining with the Crown.
- Any significant consideration related to the transaction would be paid into a trust fund for the remediation of the existing environmental liabilities at the site.
- A purchaser would have its liability for the existing environmental condition of the property limited.

A MINE SITE RECLAMATION POLICY FOR THE NORTHWEST TERRITORIES

POLICY REVIEW

- A portion of the economic value of the production from the mine would go to a fund for the remediation of the existing environmental liabilities at the site.
- The purchaser would remain fully liable for the remediation costs of any environmental impact resulting from its operations at the site.

Whether or not DIAND entered into such a transaction would depend on the extent of the benefits or potential benefits to the Crown in reducing the environmental impacts and ultimate cost to Canadian taxpayers of environmental remediation at the mine site.

The political and legislative environment in the North is in a period of unprecedented change. If this Policy is to keep pace with the shifting operational environment, and political, legislative and technological developments, it must be a living document or it will lose its currency and effectiveness.

To this end, the Department will undertake to review this Policy periodically.

This is Exhibit "C" referred to in the affidavit of **Mark Warren**, sworn before me at Vancouver, in the Province of British Columbia, this 7th day of July, 2015.

A handwritten signature in black ink, appearing to read 'm. butt', is written above a horizontal line.

A Commissioner for taking Affidavits in and for the
Province of British Columbia



Mackenzie Valley Land and Water Board
7th Floor - 4922 48th Street
P.O. Box 2130
YELLOWKNIFE NT X1A 2P6
Phone (867) 669-0506
FAX (867) 873-6610

June 16, 2015

File: MV2002L2-0019

Ms. Deborah Flemming
 North American Tungsten Corporation Ltd.
 P.O. Box 848
 WATSON LAKE YT Y0A 1C0

Email: cantungenviro@natcl.ca

Dear Ms. Deborah Flemming:

**Amendment Application – Approval
 Mining & Milling - Cantung Mine**

The Mackenzie Valley Land and Water Board (MVLWB or the Board) received your application dated April 4, 2014 requesting an amendment to Water Licence MV2002L2-0019 on April 7, 2015.

On June 12, 2015, under subsection 37 of the *Waters Act* and 72.13 of the *Mackenzie Valley Resource Management Act*, the Minister of Environment and Natural Resources – Government of the Northwest Territories approved the amendment as applied for.

In accordance with Part C, Item C.1. of the Water Licence, a security deposit in the amount of \$27,950,000 shall be posted with the Minister of Environment and Natural Resources and copied to the Board within 90 days of June 15, 2015, pursuant to section 35 of the *Waters Act*. Submit payment of the security, made out to the Government of the Northwest Territories, to: **Government of the Northwest Territories**, Box 1320, Yellowknife, NT, X1A 2L9, Attention: Director, Water Resources. Please provide a copy of the receipt of security to the MVLWB office within 30 days of posting.

A copy of the amended Licence is attached and has been filed on the Public Registry at the office of the MVLWB. The General Procedures for Administration of the Water Licence are also attached .

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Your full cooperation is anticipated and appreciated. If you have any questions or concerns, please contact Julian Morse at (867) 766-7453 or email jmorse@mvlwb.com.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'F. M. Adlem', with a stylized flourish at the end.

Floyd Adlem
Chair

Copied to: Distribution List

Attachments:

- Water Licence
- General Procedures for Administration of the Water Licence



MACKENZIE VALLEY LAND AND WATER BOARD WATER LICENCE

Amendment Effective Date – June 16, 2015

Pursuant to the *Mackenzie Valley Resource Management Act* and Regulations, the Mackenzie Valley Land and Water Board, hereinafter referred to as the Board, hereby grants to:


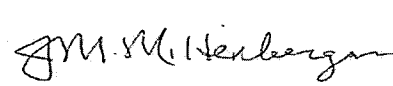
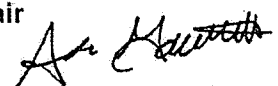
North American Tungsten Corporation Ltd
(Licensee)

of #1640 1188 West Georgia St. Vancouver, BC V6E 4A2
(Mailing Address)

hereinafter called the Licensee, the right to alter, divert or otherwise use water subject to the restrictions and conditions contained in the *Waters Act* and Regulations made thereunder and subject to and in accordance with the conditions specified in this Licence.

Licence Number:	<u>MV2002L2-0019 (Amendment to construct and operate Dry Stack Tailings Storage Facilities)</u>
Licence Type:	<u>A</u>
Water Management Area:	<u>3 – Mackenzie River Area</u>
Location:	<u>Cantung Mine</u>
Purpose:	<u>Mining and Milling</u>
Description:	<u>Use of Water and Disposal of Waste</u>
Quantity of water <u>not to be exceeded:</u>	<u>45, 000m³ weekly</u>
Original Effective Date of Licence:	<u>January 30, 2009</u>
Expiry Date of Licence:	<u>January 29, 2016</u>

This Licence issued and recorded at Yellowknife includes and is subject to the annexed conditions.

 _____ Chair	MACKENZIE VALLEY LAND AND WATER BOARD APPROVED BY  _____ Minister of Environment and Natural Resources
 _____ Witness	

PART A: SCOPE AND DEFINITIONS

Scope

This Licence entitles North American Tungsten Corporation Ltd. (hereafter the "Licensee") to use Water and dispose of Waste for a mining and milling undertaking, and associated uses at the Cantung Mine, Northwest Territories (Latitude - 61° 57'N; Longitude - 128° 16' W) as described in the complete Water Licence Application and attachments dated February 6, 2008, and subsequent Information Requests, responses dated May 20, 2008 and July 17, 2008; and subsequent Amendment Applications and related documents. Specifically, this Licence authorizes the following activities:

- I. Withdrawal of Water for continued mining and milling operations through the Water Supply Facility;
- II. Withdrawal of Water for domestic purposes through the Water Supply Facility;
- III. Deposit of Waste through the Tailings Containment Area, Dry Stack Tailings Storage Facilities, and underground;
- IV. Deposit of Waste through the Wastewater Treatment Facilities;
- V. Deposit of Waste through the Solid Waste Disposal Facility and Landfarm;
- VI. Disposal of Waste Rock in underground workings and above ground;
- VII. Disposal of Sewage;
- VIII. Handling and storage of petroleum products and hazardous materials;
- IX. Operation and maintenance of Sewage Disposal Facilities;
- X. Operation and maintenance of Wastewater Treatment Facilities;
- XI. Operation and maintenance of Dry Stack Tailings Processing Facility;
- XII. Operation and maintenance of Dry Stack Tailings Storage Facilities;
- XIII. Operation and maintenance of Tailings Containment Area;
- XIV. Operation and maintenance of Solid Waste Disposal Facilities and Landfarm; and
- XV. Progressive Reclamation and associated closure activities.

Definitions:

In this Licence: MV2002L2-0019

"Acid/Alkaline Rock Drainage (ARD)" means the production of acidic or alkaline leachate, seepage or drainage from underground workings, ore piles, Waste Rock, Tailings, or overburden that can lead to the release of metals to groundwater and surface Water during the life of the mine and after mine closure;

"Act" means the *Waters Act*;

"Analyst" means an Analyst designated by the Minister under subsection 65(1) of the Act;

"Average Concentration" means the discrete average of four consecutive analytical results, or if less than four analytical results, the discrete average of the analytical results collected during a batch decant, as submitted to the Board in accordance with the sampling and analysis requirements specified in the "Surveillance Network Program";

"Board" means the Mackenzie Valley Land and Water Board established under Part 4 of the *Mackenzie Valley Resource Management Act*;

“Dam Safety Guidelines” means the Canadian Dam Association's (CDA) Dam Safety Guidelines (DSG), 2007 or subsequent approved editions. The scope and applicability of the DSG referred to in this Licence, is presented in Section 1 of the DSG;

“Dry Stack Tailings Processing Facility” means the infrastructure designed to filter and dewater Tailings prior to disposal in the Dry Stack Tailings Storage Facilities;

“Dry Stack Tailings Storage Facilities” comprises the following Engineered structures designed to contain filtered Tailings: Tailings Storage Facilities (TSF) 4b, 6, and 7;

“Flat River Tailings” means the historical Tailings that were deposited into the Flat River;

“Freeboard” means the vertical distance between Water line and the effective Water containment crest on a dam or dyke's upstream slope;

“Engineer” means a professional Engineer registered to practice in the Northwest Territories in accordance with the *Engineering and Geoscience Professions Act*, S.N.W.T. 2006, c.16;

“Geoscientist” means a professional Geoscientist registered to practice in the Northwest Territories in accordance with the *Engineering and Geoscience Professions Act*, S.N.W.T. 2006, c.16;

“ICP Metal Scan” means, for the purpose of this Licence, elements detected by an inductively coupled plasma mass spectrometer including but not limited to aluminium, barium, boron, cadmium, chromium, copper, iron, lead, manganese, molybdenum, nickel, selenium, strontium, uranium and zinc;

“Inspector” means an Inspector designated by the Minister under subsection 65(1) of the Act;

“Landfarm” comprises the area and associated Engineered infrastructure designed to contain and treat hydrocarbon contaminated soils;

“Licensee” means the holder of this Licence;

“Metal Leaching (ML)” means the potential for leaching of metals from Tailings, Waste Rock or stock piles in contact with any Water;

“Minister” means a duly appointed member of the Executive Council who is responsible for the *Waters Act* or the department responsible for administering that Act;

“Minewater” means groundwater, surface Water, or any Water Used in mining which is pumped or flows out of any underground workings or open pit;

“Modification” means an alteration to a physical work that introduces a new structure or eliminates an existing structure and does not alter the purpose or function of the work, but does not include an expansion;

“Progressive Reclamation” means those activities conducted during the operating period of the mine to modify and reclaim the land and Water affected by the licensed undertaking to the satisfaction of the Board;

“Regulations” means Regulations promulgated pursuant to section 63 of the Act;

“Sewage” means all toilet Wastes and greywater;

“Sewage Disposal Facilities” comprises the area and Engineered structures designed to contain and treat Sewage;

“Solid Waste Disposal Facilities” comprises the area and associated Engineered infrastructure designed to contain solid Wastes;

“Standard Proctor Dry Density” means the maximum dry density at optimal moisture content as determined through compaction testing consistent with the American Society for Testing and Materials Standard D698.

“Stinky Pond” means the natural pond located adjacent to the east side of Tailings Pond 3;

“Tailings” means material rejected from the mill after the recoverable valuable minerals have been extracted;

“Tailings Containment Area (TCA)” comprises the following Engineered structures designed to contain Tailings: Tailings Pond 1, Tailings Pond 2, Tailings Pond 3, Tailings Pond 4, and Tailings Pond 5 as depicted in the Water Licence Application;

“Waste” means Waste as defined by section 1 of the Act;

“Waste Rock” means all unprocessed rock materials, except ore and Tailings, which are produced as a result of mining and milling operations;

“Waste Disposal Facilities” means all facilities designated for the disposal of Waste, and includes the Sewage Disposal Facilities, Wastewater Treatment Facilities, Solid Waste Disposal Facilities and Landfarm;

“Wastewater Treatment Facilities” comprises the area and associated infrastructure designed to treat liquid Waste from the TCA, and from the Dry Stack Tailings Processing and Storage Facilities, and then discharge the treated liquid Waste to Stinky Pond;

“Water Content”, with respect to soils, means the ratio of the volume of water to the total volume of the soil, including air in a given soil mass;

“Waters” means any Waters as defined by section 1 of the Act;

“Water Supply Facility” comprises the area and associated intake infrastructure to collect and supply Water for the undertaking;

“Water Use” means a use of Water as defined section 1 of the Act; and

“Water Use Fee” means a fee for the use of Water set out in the Regulations promulgated under section 63 of the Act.

PART B: GENERAL CONDITIONS

- B.1. This Licence is issued subject to the conditions contained herein with respect to the taking of Water and the depositing of Waste of any type in any Waters or in any place under any conditions where such Waste or any other Waste that results from the deposit of such Waste may enter any Waters.
- B.2. The Licensee shall file an Annual Report with the Board not later than March 31st of the year following the calendar year reported which shall contain the following information:
- a. The monthly and annual quantity in cubic metres of Water pumped from the Flat River;
 - b. The monthly, annual, and total quantity in cubic metres of solid Waste discharged to each of the Dry Stack Tailings Storage Facilities;
 - c. The total size of each of the Dry Stack Tailings Storage Facilities, including the area of the covered portion(s), the area of the open portion(s), and the minimum and maximum heights;
 - d. The monthly and annual quantity in cubic metres of liquid Waste pumped from each Dry Stack Tailings Storage Facility to the Wastewater Treatment Facilities or the Tailings Containment Area;
 - e. The monthly and annual quantity in cubic metres of the solid and liquid fractions discharged to the Tailings Containment Area;
 - f. The weekly and annual quantity in cubic metres of liquid Waste discharged from the Wastewater Treatment Facilities to Stinky Pond;
 - g. The monthly and annual quantity in cubic metres of liquid Waste discharged from Stinky Pond to the Flat River;
 - h. The weekly and annual Flat River flow in cubic metres;
 - i. The monthly and annual quantity in cubic metres of Sewage discharged to the Tailings Containment Area;
 - j. The monthly and annual quantity in cubic meters of soil treated in the Landfarm;
 - k. The monthly and annual quantity of solid Waste disposed of in the Solid Waste Disposal Facility;
 - l. The monthly and annual quantity of hazardous Waste generated and removed from the minesite;
 - m. The monthly and annual quantity in cubic metres of recycled Minewater;
 - n. All data generated under the “Surveillance Network Program” and a discussion of any problems with data collection, analysis or results;
 - o. A detailed record of major maintenance work carried out on the Water Supply and the Waste Disposal Facilities and all associated structures;
 - p. A summary of construction activities conducted and an updated Mine Plan;
 - q. A summary of all work carried out under the Management Plans in accordance with Part F;
 - r. Any revisions to the Closure and Reclamation Plan as referred to in Part H;
 - s. A summary of any Progressive Reclamation work undertaken during the year, supported by applicable environmental or analytical reports and an outline of any work anticipated for the next year. This shall also include a valuation of the previous year’s reclamation work and any adjustments or transactions made in regards to the security deposit;

- t. An updated estimate of the current mine reclamation liability, using a financial security estimate method approved by the Board, based upon the results of the mine reclamation research, completed reclamation approved and deemed complete by the Inspector, mine development monitoring, and any modifications to the Mine Plan;
 - u. A list of any unauthorized discharges;
 - v. Any other details on Water Use or Waste disposal requested by the Board by November 1st of the year being reported;
 - w. A summary of weekly Waste Rock composites, geochemical analysis, including acid base accounting analysis, sampling dates, and geologic rock types;
 - x. A summary of the moisture and density data gathered for each of the Dry Stack Tailings Storage Facilities; and
 - y. A detailed discussion on the performance, installation, and evaluation, including the use of photographs, of the primary and secondary containment measures used in fuel storage to prevent impacts to all Waters.
- B.3. The Licensee shall comply with the terms of any plans and manuals approved pursuant to the conditions of this Licence and with any amendments to the plans and manuals as may be made from time to time pursuant to the conditions of this Licence and as approved by the Board.
- B.4. The Licensee shall comply with the Schedules, which are annexed to and form part of this Licence, and any amendments to the Schedules as may be made from time to time by the Board.
- B.5. The Licensee shall comply with the Surveillance Network Program, which is annexed and forms part of this Licence, and any amendments to the annexed Surveillance Network Program as may be made from time to time by the Board.
- B.6. The Schedules, Surveillance Network Program and compliance dates specified in the Licence may be modified at the discretion of the Board.
- B.7. Meters, devices or other such methods used for measuring the volumes of Waters used and Waste discharged shall be installed, operated and maintained to the satisfaction of an Inspector.
- B.8. The Licensee shall maintain, to the satisfaction of an Inspector, the necessary signs to identify the stations of the Surveillance Network Program.
- B.9. The Licensee shall ensure a copy of this Licence is maintained at the site of operations at all times.

PART C: CONDITIONS APPLYING TO SECURITY REQUIREMENTS

- C.1. The Licensee shall post and maintain a security deposit in accordance with Schedule 1, Item 1.
- C.2. The security deposit shall be maintained until such time as it is fully or in part refunded by the Minister pursuant to section 35 of the Act.

- C.3. Security shall be sufficient to address the full current liability on the site. If there is a reduction in the total liability, due to Progressive Reclamation or alteration of the mine development plans, the Licensee may apply to the Board for a reduction in the amount of security held or required.
- C.4. A failure to provide the required security as set out will be cause for the Board to initiate proceedings to suspend the Licence.
- C.5. The Licensee shall provide such further or other amounts of security as may be required by the Board based on annual estimates of current mine reclamation liability filed in accordance with Part B, item 2(t) of this Licence or based on such other information as may be available to the Board.

PART D: CONDITIONS APPLYING TO WATER USE

- D.1. The Licensee shall obtain all Water for mining, milling, domestic and associated uses from the Flat River through the Water Supply Facility or as otherwise approved by the Board.
- D.2. The weekly quantity of Water withdrawn using the Water Supply Facility shall not exceed 45,000 (forty-five thousand) cubic metres.
- D.3. The fresh Water intake pumps shall be equipped with a screen with a mesh size sufficient to ensure no entrainment of fish, as outlined in Fisheries and Oceans Canada Freshwater Intake End-of-Pipe Fish Screen Guidelines (2005) or subsequent approved editions. Measurements of Water volumes withdrawn from the Flat River complete with pump specifications shall be maintained on-site and submitted to the Board for review annually with the Water Use Fees.
- D.4. The Water Use Fee shall be paid annually, in advance of any Water Use.

PART E: CONDITIONS APPLYING TO WASTE DISPOSAL

- E.1. All Tailings shall be deposited in the Tailings Containment Area, the Dry Stack Tailings Storage Facilities, or underground as set out in the approved Tailings Processing and Storage Facilities Management and Monitoring Plan described in Part F, Item 14.
- E.2. All Sewage shall be discharged to the Tailings Containment Area.
- E.3. All liquid Waste from the Wastewater Treatment Facilities shall be discharged to Stinky Pond or to the Tailings Containment Area.
- E.4. When the flow rate of the Flat River is less than 50,000 m³/day, the maximum hourly discharge from the Wastewater Treatment Facilities to Stinky Pond should not exceed 187.5 m³/hr, to a maximum daily discharge of 4,500 m³.
- E.5. When the flow rate of the Flat River is greater than or equal to 50,000 m³/day, the maximum hourly discharge from the Wastewater Treatment Facilities to Stinky Pond should not exceed 333.3 m³/hr, to a maximum daily discharge of 8,000 m³. The Licensee may increase the discharge rate above the rate specified in Part E, item 4 when:

- a. The daily Flat River flow rate exceeds 50,000 m³/day for 3 consecutive days, as verified by methods outlined in the approved Hydrology Plan required under Part F, item 25;
 - b. Ice-off conditions are present at the river flow monitoring station (SNP 4-45), as verified by methods outlined in the approved Hydrology Plan required under Part F, item 25; and
 - c. The Inspector has provided written authorization.
- E.6. During transition periods between discharge rates, the Licensee shall record and report the daily discharge volume of the Flat River to the Board and to the Inspector as described in the approved Hydrology Plan required under Part F, item 25.
- E.7. When the flow rate of the Flat River is less than 50,000 m³/day for three consecutive days or when ice-on conditions are observed at the flow monitoring station (SNP 4-45), as verified by methods outlined in the approved Hydrology Plan required under Part F, item 25, the Licensee must immediately reduce the maximum discharge rate from the Wastewater Treatment Facilities to the rate specified in Part E, item 4.
- E.8. The Licensee shall ensure that a control structure is installed and maintained at the culvert at the outlet of Stinky Pond, such that the flow of Waste from Stinky Pond can be stopped and directed back to the Tailings Containment Area. The Licensee shall only seal the culvert if directed to do so by an Inspector.
- E.9. The Tailings Containment Area shall be constructed, operated and maintained to Engineering standards such that:
 - a. The solids fraction of the Tailings deposited therein shall be permanently contained within the Tailings Containment Area;
 - b. A Freeboard limit of 1.0 meter shall be maintained at all times in the Tailings Containment Area;
 - c. During milling operations, a daily inspection of the dams, Tailings line(s) and catchment basin(s), shall be carried out and records of these inspections shall be provided as an annex to the monthly SNP Reports submitted under Part C of the Surveillance Network Program;
 - d. During operation of the Wastewater Treatment Facilities, a daily inspection of the Wastewater Treatment Facilities, Stinky Pond, the drainage culvert, and the channel to the Flat River shall be carried out, and records of these inspections shall be provided as an annex to the monthly SNP Reports submitted under Part C of the Surveillance Network Program. Records of the inspections shall be made available to an Inspector or the Board upon request;
 - e. An independent dam safety review, as defined by the Dam Safety Guidelines, shall be completed prior to October 1, 2012 and shall be carried out every five (5) years until expiry of the Licence. The Engineer's report shall be submitted to the Board within 90 (ninety) days of the review, including a cover letter from the Licensee outlining an implementation plan to respond to any recommendations made by the Engineer, along with rationale for any decisions that deviate from the Engineers recommendations, and a summary of any actions taken by the Licensee to satisfy the previous review's engineering recommendations; and

- f. An inspection of the Tailings Containment Area shall be carried out annually during the summer season by an Engineer. The Engineer's report shall be submitted to the Board within 60 (sixty) days of the inspection, including a cover letter from the Licensee outlining an implementation plan to respond to any recommendations made by the Engineer, along with rationale for any decisions that deviate from the Engineers recommendations and a summary of any actions taken by the Licensee to satisfy the previous review's engineering recommendations.
- E.10. The Licensee shall install a minimum of two (2) additional groundwater wells southeast of Tailings Pond 5. The wells shall be conventional 2" wells.
- E.11. The Licensee shall install a minimum of one (1) additional groundwater well upstream of the mine site. The well shall be a conventional 2" well.
- E.12. The Licensee shall install a minimum of one (1) additional groundwater well east of Tailings Ponds 1 and 2. The well shall be a conventional 2" well.
- E.13. Specific groundwater well locations and depths, including GPS coordinates, for the wells required by Part E Items 10 to 12 shall be determined by an Engineer or Geoscientist in consultation with the Inspector prior to drilling. Drilling shall be complete by June 1, 2009.
- E.14. The drill logs and well construction details for the wells required by Part E Items 10 to 12 shall be forwarded to the Board within 60 (sixty) after they are drilled.
- E.15. If, during the period of this Licence an unauthorized discharge of Waste occurs, or an unauthorized discharge is foreseeable, the Licensee shall:
 - a. Report the incident immediately via the Northwest Territories/Nunavut 24-Hour Spill Reporting Line (867) 920-8130 which is in accordance with the instructions contained in the "NT-NU Spill Report";
 - b. Submit to the Board and an Inspector a detailed report on each occurrence not later than 30 (thirty) days after initially reporting the event; and
 - c. Implement relevant components of the Contingency Plan set out in Part F, Item 11.

E.16. Effluent at Sampling Station Number 4-43 (Effluent from Wastewater Treatment Facilities) shall not exceed the effluent quality requirements in Table E1 below:

Table E1 – Compliance Parameter Limits at Station 4-43

PARAMETER	MAXIMUM AVERAGE CONCENTRATION (mg/L)	MAXIMUM CONCENTRATION OF ANY GRAB SAMPLE (mg/L)
Total Suspended Solids	12	24
Ammonia	5	10
Nitrate	8	16
Sulphate	384	768
Total Aluminum	1	2
Total Arsenic	0.02	0.04
Total Boron	4	8
Total Cadmium	0.0007	0.001
Total Chromium	0.0008	0.002
Total Copper	0.01	0.02
Total Iron	0.8	1.5
Total Lead	0.02	0.04
Total Molybdenum	0.3	0.6
Total Nickel	0.5	1
Total Zinc	0.1	0.2

E.17. For Sampling Station Number 4-43, the pH value must be between 6.5 and 9.0.

E.18. If, during the term of this Licence, the concentration in any sample collected at Sampling Station Number 4-43 exceeds the requirements specified in Part E, Items 16 or 17, the Licensee shall direct the effluent from the Wastewater Treatment Facilities back to the Tailings Containment Area.

E.19. The Licensee shall provide Water quality data from Sampling Station Number 4-43 to the Board and an Inspector no later than five (5) days prior to commencing initial discharge to Stinky Pond from the Wastewater Treatment Facilities, or prior to resuming discharge to Stinky Pond from the Wastewater Treatment Facilities after a non-compliance event at Sampling Station Number 4-43.

E.20. The Licensee shall only commence initial discharge to Stinky Pond from the Wastewater Treatment Facilities, or resume discharge to Stinky Pond from the Wastewater Treatment Facilities after a non-compliance event at Sampling Station Number 4-43, with written authorization from an Inspector.

E.21. Water at Sampling Station Number 4-34 shall not exceed the effluent quality requirements in Table E2 below:

Table E2 – Compliance Parameter Limits at Station 4-34

PARAMETER	MAXIMUM AVERAGE CONCENTRATION	MAXIMUM CONCENTRATION OF ANY GRAB SAMPLE
EPH	4.00 mg/L	5.00mg/L
Benzene	4.00 ppm	
Ethyl Benzene	2.00 ppm	
Toluene	0.39 ppm	

E.22. Water at Sampling Stations Number 4-27-4, 4-27-7 to 4-27-16, 4-28-1 and 4-28-2 inclusive shall not exceed the effluent quality requirements in Table E3 below:

Table E3 – Compliance Parameter Limits at Stations 4-27-1 to 4-27-17, 4-28-1 and 4-28-2

PARAMETER	MAXIMUM AVERAGE CONCENTRATION (mg/L)	MAXIMUM CONCENTRATION OF ANY GRAB SAMPLE (mg/L)
Total Arsenic	0.20	0.40
Total Cadmium	0.01	0.02
Total Copper	0.20	0.40
Total Lead	0.20	0.40
Total Nickel	0.40	0.80
Total Zinc	0.20	0.40
Total Suspended Solids	15.0	30.0
Total Ammonia	5.00	10.00

E.23. For water at Sampling Stations Number 4-27-4, 4-27-7 to 4-27-16, 4-28-1 and 4-28-2 the pH value must be between 6.0 and 9.0.

E.24. If, during the term of this Licence, the concentrations of any sample collected at Sampling Station Numbers 4-27-4, 4-27-7 to 4-27-16, 4-28-1 and 4-28-2 exceeds the requirements specified in Part E, Items 22 and 23 respectively, the Licensee shall:

- Implement the Contingency Plan for Groundwater Pumping specified in Part F, Item 15;
- Notify an Inspector immediately of the implementation of the Contingency Plan for Groundwater Pumping; and
- File a report with the Board not later than 30 (thirty) days after implementation of the Contingency Plan for Groundwater Pumping, outlining the action taken to prevent groundwater that exceeds the requirements specified in Part F, Item 15, from reaching the Flat River.

- E.25. The Licensee shall provide to the Board for approval 60 (sixty) days prior to the construction of any new Landfarm an Engineered design for the Landfarm that includes but is not limited to:
- a. A description of the site characteristics, including surface and subsurface characteristics, geotechnical characteristics and site Water management plans;
 - b. Construction and materials specifications including the Licensee's Quality Assurance and Quality Control program;
 - c. A geotechnical analysis, which may include, but is not limited to: settlement, slope stability, groundwater seepage and contaminant transport, and any liner performance;
 - d. The details of a volume balance and Landfarm sizing that considers expected hydrocarbon contaminated soil and snow to be contained;
 - e. The details of leachate management that includes but is not limited to: estimation of leachate generated; leachate collection and disposal; and leachate sampling and monitoring;
 - f. An operational plan that details, but is not limited to: acceptable soil types to be deposited in the Landfarm; remediation standards; and methods and frequency of any soil conditioning to promote remediation;
 - g. The spatial and temporal monitoring program for soil chemistry within the Landfarm;
 - h. The location for the proposed Landfarm on a map to scale with GPS coordinates; and
 - i. A detailed closure plan for the Landfarm.
- E.26. The Licensee shall provide to the Board for approval 60 (sixty) days prior to the construction of any new Solid Waste Disposal Facility an Engineered design for that Facility that includes but is not limited to:
- a. The description the of site characteristics, including surface and subsurface characteristics, geotechnical characteristics and site Water management plans;
 - b. Construction and materials specifications and construction and materials Quality Assurance and Quality Control program;
 - c. A geotechnical analysis, which may include, but is not limited to: settlement, slope stability, groundwater seepage and contaminant transport, and any liner performance;
 - d. The details of a volume balance and Solid Waste Disposal Facility sizing that considers, but is not limited to: refuse volume and density; cover material volume and density; and material balance describing storage capacity and material inputs;
 - e. The details of leachate management that includes but is not limited to: estimation of leachate generated; leachate collection and disposal; and leachate sampling and monitoring;
 - f. The Engineered design of a final cover that includes but is not limited to: health and safety considerations; vector and wildlife control; Water balance for net infiltration; material characteristics and configuration; and, final slopes and contouring to be geotechnically stable, minimize Water pooling, and minimize erosion;
 - g. The location for the proposed Solid Waste Disposal Facility on a map to scale with GPS coordinates; and
 - h. A detailed closure plan for the Solid Waste Disposal Facility.

E.27. The Licensee shall construct, operate, and maintain the Dry Stack Tailings Storage Facilities to design specifications/Engineering standards, such that:

- a. The facilities and covers are geotechnically stable;
- b. The potential for liquefaction within and beneath the facilities is minimized in the event of the design basis earthquake event for operations and the maximum design earthquake at closure;
- c. All Tailings deposited in the facilities are compacted to a minimum of 95% Standard Proctor Dry Density, or as otherwise directed by the design Engineer when it is not possible or practical to meet this density. Areas of reduced compaction density must be minimized;
- d. Run-on Water entering the facilities from up-gradient sources of surface Water is minimized;
- e. Surface Water interception and diversion structures are constructed to manage peak discharge from 1/1000-year storm event;
- f. Interactions between the facilities and the Flat River are minimized for the 1/1000-year flood event;
- g. Any changes in the phreatic Water surface level shall not interfere with the geotechnical stability of the facilities;
- h. Infiltration of Water during routine operations is minimized;
- i. Generation of wind-blown dust from the facilities is minimized;
- j. Signs of erosion or settlement are addressed immediately;
- k. Conditions for eventual closure and reclamation of the facilities are optimized;
- l. The maximum open area in Tailings Storage Facility 6 is sixteen (16) hectares at any given time;
- m. Monitoring of the facilities is sufficient to ensure that :
 - i) Performance design criteria, as described in the Final Detailed Design Plan documents referred to in Part E, items 28 and 29, are being met; and
 - ii) Necessary changes in operation of the facilities, including any additional mitigations, are identified.
- n. An inspection of the facilities shall be carried out annually during the summer season by an Engineer. The Engineer's report shall be submitted to the Board within 60 (sixty) days of the inspection, including a cover letter from the Licensee outlining an implementation plan to respond to any recommendations made by the Engineer, along with rationale for any decisions that deviate from the Engineers recommendations, and a summary of any actions taken by the Licensee to satisfy the previous review's engineering recommendations; and
- o. An independent inspection and review shall be carried out every five (5) years following the commencement of construction of the first Dry Stack Tailings Storage Facility, until expiry of the Licence. The Engineer's report shall be submitted to the Board within 90 (ninety) days of the review, including a cover letter from the Licensee outlining an implementation plan to respond to any recommendations made by the Engineer, along with rationale for any decisions that deviate from the Engineers recommendations, and a summary of any actions taken by the Licensee to satisfy the previous review's engineering recommendations.

E.28. A minimum of ninety (90) days prior to the construction of TSF4b and TSF7, and a minimum of six (6) months prior to the construction of TSF6, the Licensee shall submit to the Board, for approval, the Final Detailed Design Plans for that facility. The Licensee shall not commence construction of a Dry Stack Tailings Storage Facility until the Board has approved the Plans for that facility. The Plans shall include, but not be limited to, the following information:

- a. A description of the facilities to be constructed, including locations;
- b. Relevant background information, including the data from geotechnical investigations, as deemed adequate by the Professional Engineer responsible for the design;
- c. Relevant supporting information, including the results from any relevant monitoring, research, or modelling programs, and an explanation of how this information has been considered in the Final Detailed Design Plans;
- d. For TSF6, the results of a hydro-technical analysis of potential interactions with the Flat River for the design flood event, and an explanation of how this information has been considered in the Final Detailed Design Plans, including any mitigation measures;
- e. Design drawings and specifications of the facility and any Water management structures, stamped by a Professional Engineer;
- f. Construction and material specifications, including geotechnical properties of the Tailings;
- g. Stability and sensitivity analyses;
- h. Deformation ranges;
- i. Construction considerations, including timing, sequencing, and a schedule;
- j. Detailed instrumentation and monitoring plans, including but not limited to sampling locations, parameters measured, and frequencies of sampling to be carried out; and
- k. A Quality Assurance and Quality Control Plan stamped by a Professional Engineer, a component of which includes a plan for a Professional Engineer to supervise and field check construction activities.

E.29. A minimum of ninety (90) days prior to the installation of a cover on TSF4b and TSF7, and a minimum of six (6) months prior to the installation of a cover on TSF6, the Licensee shall submit to the Board, for approval, a Final Cover Design for that facility. The Licensee shall not commence construction of a cover on a Dry Stack Tailings Storage Facility until the Board has approved the Final Cover Design for that facility. The Final Cover Design shall be signed and stamped by an Engineer, and shall include, but not be limited to, the following:

- a. A cover design alternatives analysis;
- b. A summary table of cover design input variables noting what is known (measured or assumed) and unknown, with description of the limitations of assumed and unknown variables on cover performance;
- c. A summary of how the results of any relevant monitoring, research, or modelling programs are integrated into the Final Cover Design;
- d. Design drawings, stamped by an Engineer;
- e. Construction and material specifications, including sources of materials;
- f. A Quality Assurance and Quality Control Plan;

- g. A monitoring program to assess, but not be limited to: cover performance; oxygen ingress into Tailings; net infiltration into Tailings; and, solids and pore Water geochemistry;
 - h. A description of how the monitoring program will confirm design assumptions;
 - i. A Contingency Plan outlining measures to be implemented should cover failure occur;
 - j. An analysis as to how the provisions of the Final Cover Design contribute to a closure and reclamation plan.
- E.30. The Licensee shall ensure that the Dry Stack Tailings Storage Facilities and the associated covers identified in Part E, items 28 and 29 are constructed in accordance with the approved Final Detailed Design Plans and the Final Cover Designs.
- E.31. A minimum of ten (10) days prior to the commencement of construction of each of the Dry Stack Tailings Storage Facilities identified in Part E, item 28, the Licensee shall provide written notification to the Board and an Inspector.
- E.32. Within ninety (90) days of the completion of construction of each of the Dry-Stack Tailings Storage Facilities identified in Part E, item 28, the Licensee shall submit to the Board an As-Built Report, which shall include as-built drawings of the structures, documentation of field decisions that deviate from the approved Final Detailed Design Plans, and any data used to support these decisions.

PART F: CONDITIONS APPLYING TO WASTE AND WATER MANAGEMENT

- F.1. A minimum of ninety (90) days prior to the commencement of construction of any new Dry Stack Tailings Storage Facility, the Licensee shall submit to the Board for approval a Water Management and Mine-site Erosion and Sediment Protection Plan. The Plan shall provide details of the operating procedures for the handling, management and disposal of Water that comes into contact with the mine facilities and activities, and shall include, but is not limited to:
- a. A qualitative and quantitative description of hydrological setting including: climate, hydrology, and hydrogeology;
 - b. A qualitative and quantitative description of freshwater use for potable Water and mining and milling;
 - c. A qualitative and quantitative description of sources of contaminated Water to be managed;
 - d. A qualitative and quantitative description of storm Water management;
 - e. A qualitative and quantitative description of Sewage treatment and disposal;
 - f. A qualitative and quantitative description of treatment and disposal of liquid Waste from the Tailings Containment Area through the Wastewater Treatment Facilities;
 - g. A summary of the Tailings and Tailings Containment Area Water management including: discharge control, operation, and detailed Water balance;
 - h. A summary of the Dry Stack Tailings Storage Facilities Water management, including run-on Water, contact Water, and seepage Water;
 - i. The description of site Water balance and schematic representation of a Water balance for the mine site and for major mine facilities (e.g., mill, underground mine, TCA, Dry Stack Tailings Storage Facilities, etc.);

- j. The depiction of surface Water flow direction(s) overlaid on a topographic map that depicts relevant mine facilities and topographic features;
 - k. The surface Water and groundwater quality monitoring locations detailed on a map that depicts relevant mine facilities and topographic features;
 - l. A summary of Water quality parameters analyzed and the frequency of measurement for each monitoring location;
 - m. A summary of any Water volume monitoring (i.e., streams, rivers, precipitation, etc.), frequency of monitoring, and location(s) detailed on a map;
 - n. The details of erosion and sediment protection for the entire site ;
 - o. The details of the monitoring program demonstrating the effectiveness and maintenance of all sediment and erosion control measures and vegetation success; and
 - p. An analysis by an Engineer or Geoscientist as to how the provisions of the plan required by Part F, Item 1 contribute to a closure and reclamation plan.
- F.2. The Licensee shall submit to the Board, for approval, by January 31, 2016, an updated Hydrogeological Groundwater Study Report. This Report shall include, but not be limited to, the following:
- a. An update to the Hydrogeological Groundwater Study, dated December 30, 2013;
 - b. Updated exfiltration rates and exfiltration pathways for all Tailings ponds and storage facilities;
 - c. Based on modelling data, a description of potential changes to the hydrogeologic regime as a result of each Dry Stack Tailings Storage Facility;
 - d. A discussion and interpretation of results from the Hydrogeological Groundwater Study, including a description of the study methods and assumptions in the study; and
 - e. An analysis as to how the provisions of Part F, Item 2 contribute to a closure and reclamation plan.
- F.3. The Licensee shall submit to the Board by March 31 of each year in which revisions are necessary, for approval by an Analyst, a Quality Assurance and Quality Control Plan. The Plan shall be in accordance with Indian and Northern Affairs Canada's "Quality Assurance (QA) and Quality Control (QC) Guidelines for Use By Class "A" Licensees in Meeting SNP Requirements and for Submission of a QA/QC Plan, 1996", and shall include, but is not limited to, the following:
- a. A depiction of all sampling locations on a map that depicts relevant mine facilities and topographic features;
 - b. Details of the type of markers used to identify stations through description and/or photographic record;
 - c. A description of equipment and bottles used for sampling, rationale for choice of equipment, and description of how equipment is maintained and calibrated;
 - d. A description of methods of sample collection and equipment used for each sample location;
 - e. A description of preservation methods (e.g., concentration and amount of preservatives) for each sample location;
 - f. A description of the system used to identify samples;
 - g. Details on how sample integrity will be ensured from time of collection to completion of delivery;
 - h. The name of commercial laboratory conducting analysis;
 - i. A letter from the commercial laboratory indicating accreditation to conduct analysis on each sampling parameter;

- j. The detection limits identified for all parameters and reported when SNP data is submitted;
 - k. A description of any methods of analysis used that are not outlined in "Standard Methods for the Examination of Water and Wastewater";
 - l. A description of how precision and accuracy in analytical methods is ensured;
 - m. A description of how accuracy and precision in the laboratory is ensured;
 - n. A description of the information that will be reported in the monthly SNP reports and any control charts or graphs that will display accuracy and precision; and
 - o. Detail the number of replicate samples and field blanks collected and submitted with each SNP report.
- F.4. A minimum of ninety (90) days prior to the commencement of construction of TSF6, the Licensee shall submit to the Board, for approval, a Flat River Erosion and Sediment Protection Plan prepared by an Engineer. Where applicable, the Plan shall meet the information requirements of the Dam Safety Guidelines and shall include, but is not limited to, the following:
- a. A description of flood evaluation;
 - b. A description of how the engineering designs of the Tailings Containment Area and the Dry Stack Tailings Storage Facilities address floods associated with a flow rate that has an annual exceedance probability of 1/3 between the 1/1000 year flood and the probable maximum flood;
 - c. A summary of the engineering design, material characteristics, and construction details for erosion protection and slope armoring of the Tailings Containment Area and the Dry Stack Tailings Storage Facilities;
 - d. The details of the monitoring program demonstrating the effectiveness and maintenance of all sediment and erosion control measures and vegetation success;
 - e. A description of flood control and flood response actions; and
 - f. An analysis as to how the provisions of Part F, Item 4 contribute to a closure and reclamation plan.
- F.5. The Licensee shall submit to the Board by December 31, 2012, for approval, a Waste Management Plan. The Plan shall conform to the Mackenzie Valley Land and Water Board's "Guidelines for Developing a Waste Management Plan", March 31, 2011 and subsequent editions.
- F.6. The Licensee shall submit to the Board by May 31, 2014, for approval, a Geochemical Risk Assessment Report. The Report shall detail activities of a program to assess the long-term geochemical risks at Cantung mine, and shall include, but not be limited to, the following:
- a. An initial desktop survey of historical construction records, photos and correspondence to determine the history of Tailings and Waste Rock deposition onsite and past use of Tailings and Waste Rock for construction (e.g. Tailings embankments, road construction);
 - b. An inventory of the quantity of potentially acid generating materials on site and the areas affected by these materials and exposures (including Tailings, Waste Rock, the underground mine and exposed walls);
 - c. A description of how the testing conducted provides an understanding of the character of the mine Wastes from each potential source (including each Tailings pond, Waste Rock piles, the underground mine and pit walls);

- d. Field and laboratory kinetic testing of potentially acid generating and potentially non-acid generating material to determine current source concentrations and to predict future source concentrations from these materials. The field and laboratory program shall incorporate, but not be limited to, the following:
 - i. Eight (8) field leach kinetic tests;
 - ii. Scale should be sufficiently large to include at least 150 kg of Waste material;
 - iii. Material placed in leaching tests should have geological description and solid phase geochemical characterization (static test) to allow association with comparable mine Waste at the site;
 - iv. At least two (2) field tests that should include Tailings to evaluate variable pH conditions and variable elemental content;
 - v. Monitoring wells installed in Tailings ponds to measure chemistry near Tailings cover interface in Tailings Ponds 1 and 2, and near the base of the impoundment in Tailings Ponds 1 and 2, and Tailings Ponds 3 or 4;
 - vi. A monitoring well installed in exposed acidic Tailings on the Flat River flood plain; and
 - vii. Materials identified as requiring additional kinetic testing based on the extent of the field kinetic test program and the mine Waste inventory.
 - e. Static testing of:
 - i. Waste Rock produced from underground mine to document ARD risk of material deposited in the Waste Rock dump;
 - ii. Base material and surface material from the airstrip; and
 - iii. Materials identified as requiring additional static testing based on the quantity and type of Waste Rock that is determined from a mine Waste inventory.
 - f. A detailed Water balance for the site, including on-site measurements of precipitation, evaporation, intake to the mill from the Flat River, and discharge from the mine site (including Tailings ponds, seepage, and culverts);
 - g. The establishment of management plans for current and future site conditions with respect to ARD/ML potential, including mitigation measures and contingencies for exceedances; and
 - h. An analysis by an Engineer or Geoscientist as to how the provisions of Part F, Item 6 contribute to a closure and reclamation plan.
- F.7. The Licensee shall submit to the Board for approval by March 31, 2014, a Geochemical Load Balance Model prepared by an Engineer or Geoscientist using the data from the approved studies under Part F, Items 2 and 6. This Model should include an analysis as to how the Model contributes to a closure and reclamation plan.
- F.8. The Licensee shall submit to the Board, for approval, by June 1, 2015, an Information Gap Analysis Report. This Report shall identify outstanding information gaps regarding hydrogeological and geochemical conditions on site, and shall outline recommended actions and timelines for addressing the identified gaps.
- F.9. The Licensee shall submit to the Board, for approval, by January 31, 2016, an Integrated Geochemical Load Balance and Risk Assessment Report for the site. This Report shall include, but not be limited to, the following information:

- a. An update to the Geochemical Risk Assessment and the Geochemical Load Balance Model submitted under Part F, items 7 and 8, respectively, to include the Dry Stack Tailings Storage Facilities;
 - b. Results from any additional studies and analyses recommended in the Geochemical Load Balance submitted under Part F, item 8;
 - c. Results from any additional studies or monitoring recommended in the Information Gap Analysis Report submitted under Part F, item 9;
 - d. An analysis of how the information provided in this Report contributes to a closure and reclamation plan.
- F.10. The Licensee shall submit to the Board for approval by May 31, 2011, a Tailings Containment Area Monitoring Plan. The Plan shall include but is not limited to, the following:
- a. A summary table of cover design input variables noting what is known (measured or assumed) and unknown;
 - b. The rationale, detailed methods, and equipment employed for proposed monitoring;
 - c. A description of how the field monitoring program will assist in designing the cover, this shall include, but is not limited to: cover material characteristics; oxygen ingress and net infiltration into Tailings; moisture content and suction profiles with depth in the Tailings ponds; solids and pore Water geochemistry profile with depth in the Tailings ponds; and Water table in Tailings ponds;
 - d. A description of proposed methods to predict post-closure conditions for different Tailings cover options along with the evolution of oxidation and geochemistry in the Tailings;
 - e. A discussion of cover materials, availability, sampling, locations and quantity of source material identified with summary of field and lab results; and
 - f. An analysis by an Engineer or Geoscientist as to how the provisions of Part F, Item 10 contribute to a closure and reclamation plan.
- F.11. The Licensee shall submit to the Board, for approval, by December 31, 2014 a Tailings Containment Area Cover Design Study prepared by an Engineer. The Study shall include, but is not limited to, the following:
- a. The cover design alternatives analysis, including pros and cons;
 - b. A summary table of cover design input variables noting what is known (measured or assumed) and unknown, with description of the limitations of assumed and unknown variables on cover performance;
 - c. A summary of how the Tailings Containment Area Monitoring Plan and monitoring program was integrated into the design and monitoring of the cover system;
 - d. The Engineered design with supporting analysis, and description of the purpose of each component of the cover system;
 - e. The construction and materials specifications for the cover system;
 - f. The construction and materials Quality Assurance and Quality Control Plan program for the cover system;
 - g. The details of a monitoring program to assess, but not be limited to: cover performance; oxygen ingress into Tailings; net infiltration into Tailings; and, solids and pore Water geochemistry;
 - h. The details of how the monitoring program will confirm design assumptions;

- i. A Contingency Plan outlining measures to be implemented should cover failure occur;
 - j. A Dust Management Plan for work occurring on the Tailings ponds; and
 - k. An analysis as to how the provisions of Part F, Item 9 contribute to a closure and reclamation plan.
- F.12. The Licensee shall submit to the Board, for approval, by June 1, 2015, a Research and Monitoring Plan for Dry Stack Tailings Storage Facility TSF4b. This Plan shall describe how the Licensee plans to collect information from TSF4b in support of the final designs and cover designs for the Dry Stack Tailings Storage Facilities.
- F.13. Until the Final Cover Design for TSF6 is approved by the Board as per the requirements of Part E, item 29, the Licensee shall submit to the Board, for approval, by March 31 each year, a Tailings Storage Facility Cover Design Study Progress Report.
- F.14. A minimum of ninety (90) days prior to the operation of the Dry Stack Tailings Processing Facility and to the construction of TSF4b and TSF7, and a minimum of six (6) months prior to the construction of TSF6, the Licensee shall submit to the Board, for approval, a Tailings Processing and Storage Facilities Management and Monitoring Plan. The Plan shall include, but is not limited to, the following:
- a. A description of the physical properties of Tailings, including but not limited to, particle size, dry density, void ratio and Water Content;
 - b. An evaluation of Tailings disposal options and alternatives;
 - c. A qualitative and quantitative discussion outlining reasoning for selected Tailings disposal options;
 - d. An engineering discussion on Tailings volume and storage capacity as a function of time for each facility and overall; and, where applicable, Tailings storage volume as a function of elevation;
 - e. An evaluation of remaining storage capacity compared to mine reserves;
 - f. A Tailings deposition plan, including timelines and sequencing;
 - g. A description of Tailings deposition methods and procedures;
 - h. Operations, maintenance, and surveillance information for the Dry Stack Tailings Processing Facility;
 - i. Operations, maintenance, and surveillance information for the Dry Stack Tailings Storage Facilities;
 - j. Operations, maintenance, and surveillance information for the Tailings Containment Area, as per requirements of the Dam Safety Guidelines;
 - k. A summary of Water management for the Tailings Containment Area and the Dry Stack Tailings Storage Facilities, including run-on and run-off Water, Tailings contact water, and seepage from the facilities;
 - l. The details of sedimentation and erosion control for the Tailings Containment Area and the Dry Stack Tailings Storage Facilities;
 - m. The details of dust management for the Tailings Containment Area and the Dry Stack Tailings Storage Facilities;
 - n. The details of all geotechnical, geochemical, dust, and Water quantity and quality monitoring that will be undertaken, including but not limited to sampling locations, parameters measured, and frequencies of sampling;
 - o. Linkages to other monitoring programs required in this Water Licence;

- p. A description of how the monitoring information will be assessed, what criteria and associated ranges will be used to assess the monitoring results, and what types of actions will be undertaken in response to the monitoring results; and
 - q. An analysis by an Engineer as to how the provisions of Part F, Item 14 contribute to a closure and reclamation plan.
- F.15. The Licensee shall submit to the Board by December 31, 2012, and then within six (6) months of the submission for Part F, Item 2, for approval, a Groundwater Pumping Contingency Plan updated to current site conditions. The Plan shall describe actions to be taken if the Water quality at Station Numbers 4-27-4, 4-27-7 to 4-27-16, 4-28-1 and 4-28-2 inclusive, exceed the requirements specified in Part E, Item 19; and shall include, but is not limited to, the following:
- a. The details on how the Licensee plans to collect exfiltrate Waters from Tailings Ponds 1, 2, 3, 4, and 5;
 - b. The details on specific Water quality limits that will trigger pumping from each groundwater extraction well;
 - c. The details on expected groundwater extraction rates, duration of extraction, and Water quality for each groundwater extraction well;
 - d. The details on disposal location for groundwater produced from extraction wells;
 - e. The details on a volumetric Water balance for the disposal location including all sources and sinks of Water and demonstrate that the disposal location is capable of retaining the produced Water from the wells;
 - f. The depiction of the expected capture zone for each groundwater extraction well, under the expected groundwater extraction rates, on a topographic map depicting Tailings Ponds 1, 2, 3, 4, and 5, and topographic features; and
 - g. Should existing groundwater extraction wells be incapable of collecting exfiltrate Waters from Tailings Ponds 1, 2, 3, 4, or 5, installation of additional groundwater extraction wells shall be considered as a method to fulfill the objectives of the Groundwater Pumping Contingency Plan.
- F.16. The Licensee shall submit to the Board by February 29, 2012 a Historical Data and Interpretation Report of the Cantung Mine Site. This report shall include, but is not limited to, the following:
- a. All historical sampling data concerning Cantung Mine Site from all available sources;
 - b. Illustrate all trends from the data in Part F, Item 12(a);
 - c. Provide an analysis of all the trends illustrated in Part F, Item 12(b); and
 - d. An analysis by an Engineer or Geoscientist as to how the provisions of Part F, Item 12 contribute to a closure and reclamation plan.
- F.17. A minimum of ninety (90) days prior to the construction of any new Dry Stack Tailings Storage Facility, the Licensee shall submit to the Board, for approval, a Tailings Containment Area and Dry Stack Tailings Storage Facilities Emergency Preparedness Plan, signed and stamped an Engineer. Where applicable, this Plan shall conform to the Section 4 of the Dam Safety Guidelines.
- F.18. The Licensee shall submit to the Board for approval by January 31, 2013, a Wastewater Treatment Facilities Operations, Maintenance and Surveillance Manual.

- F.19. The Licensee shall complete and submit a report for approval by the Board by February 15, 2009 that fulfills the requirements of a Canadian Standards Association (Z769) Phase II Environmental Site Assessment for the undertaking, including an analysis by an Engineer or Geoscientist as to how the Phase II Environmental Site Assessment contributes to a closure and reclamation plan.
- F.20. The Licensee shall complete and submit by March 31, 2009, for approval by the Board, a Qualitative Screening Assessment Report for the Flat River Tailings. This report shall fulfill the requirements of the Canadian Council of Ministers of the Environment's "Framework for Ecological Risk Assessment" and includes an analysis by an Engineer or Geoscientist as to how the Qualitative Screening Assessment contributes to a closure and reclamation plan.
- F.21. Based on the approved Report required by Part F, Item 17, the Licensee shall complete and submit by December 1, 2011 for approval by the Board a Detailed Quantitative Ecological Risk Assessment Report for the Flat River Tailings that fulfills the requirements of the Canadian Council of Ministers of the Environment's "Framework for Ecological Risk Assessment" and includes an analysis by an Engineer or Geoscientist as to how the Quantitative Risk Assessment Report contributes to a closure and reclamation plan.
- F.22. The Licensee shall complete and submit by January 31, 2013 for approval by the Board, a Plume Delineation Study Design for the effluent discharged from the Wastewater Treatment Facilities.
- F.23. The Licensee shall complete and submit within 90 days of completion of the study, for approval by the Board, a Plume Delineation Study Report in accordance with the approved Plume Delineation Study Design required under Part F, item 19.
- F.24. The Licensee shall complete and submit, for approval by the Board prior to initiating discharge from the Wastewater Treatment Facilities at a rate greater than 4,500 m³/day, a Flat River Hydrology Plan. This Plan shall include, but is not limited to, the following:
- a. A description of the hydrologic monitoring stations and their locations;
 - b. A description of the methodology used for the measurement of the Flat River flow rate in all seasons;
 - c. Frequency of monitoring and measuring of the Flat River flow rate;
 - d. The details on how the Licensee determines when to change (increase or decrease) the maximum allowable discharge rate from the WWTF; and
 - e. The details on how the Licensee will report the information gathered under this Plan.
- F.25. The Licensee shall submit, within six months after the initial high discharge period under the conditions specified in Part E, item 5, for approval by the Board, an Evaluation Report for nitrite, fluoride, and selenium. The Evaluation Report shall include, but not be limited to, the following information:
- a. an assessment of whether the current water quality objectives, as established in Annex B to this Licence, for these parameters are being met at SNP 4-44;
 - b. recommendations and supporting rationale for revising or maintaining the established water quality objectives for each of these parameters; and
 - c. details on potential mitigation measures for these parameters if the recommended water quality objectives cannot be met.

- F.26. The Licensee shall revise and resubmit any Plan or Report required under Part F, items 1 to 25 if not approved by the Board. The revised Plan shall be submitted to the Board at a time and in a form set out by the Board in a direction which will accompany such a rejection.
- F.27. The Licensee shall review all Plans and Manuals required under Part F annually and, if necessary, modify the Plans and Manuals to reflect changes in operations, technology, materials inventory, and contact information. If any revisions are made, updated Plans and Manuals shall be submitted to the Board for approval.

PART G: CONDITIONS APPLYING TO MODIFICATIONS

- G.1. The Licensee may, without written approval from the Board, carry out Modifications to the existing or planned physical works provided that such Modifications are consistent with the terms of this Licence and the following requirements are met:
- a. The Licensee has notified the Board in writing of such proposed Modifications at least 60 (sixty) days prior to the beginning of the Modifications;
 - b. Such Modifications do not place the Licensee in contravention of either the Licence or the Act;
 - c. The Board has not, during the 60 (sixty) days following notification of the proposed Modifications, informed the Licensee that review of the proposal will require more than 60 (sixty) days; and
 - d. The Board has not rejected the proposed Modifications.
- G.2. Modifications, for which all of the conditions referred to in Part G, item 1 have not been met, may be carried out only with written approval from the Board.
- G.3. The Licensee shall provide to the Board, as-built plans and drawings, stamped and signed by an Engineer, for any Modifications referred to in Part G, item 1 within 90 (ninety) days of completion of the Modifications.

PART H: CONDITIONS APPLYING TO CLOSURE AND RECLAMATION

- H.1. The Licensee shall submit to the Board for approval a revised Closure and Reclamation Plan by March 31, 2010 in accordance with the Department of Indian and Northern Affairs Canada's "Mine Site Reclamation Guidelines for the Northwest Territories, 2007" or subsequent Closure and Reclamation guidelines as required by the Board. The Plan shall reflect the scenario of final closure. The Plan shall include the following:
- a. A general description of the undertaking;
 - b. A description of the climate; and
 - c. A financial security estimate for mine reclamation considering Part H, items 2, 3, and 4.
- H.2. When completing or revising the Closure and Reclamation Plan referenced in Part H, item 1, the Licensee shall address the following components of the undertaking:
- a. Underground Workings;
 - b. Open Pit Workings;
 - c. Waste Rock and Overburden Piles;

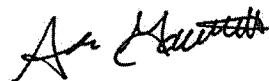
- d. Stockpiles;
 - e. Burrow Pits;
 - f. Tailings Containment Area;
 - g. Dry Stack Tailings Processing and Storage Facilities;
 - h. Waste Disposal Facilities;
 - i. Petroleum and chemical storage areas;
 - j. Water Supply Facilities;
 - k. Buildings and Infrastructure;
 - l. Airstrip;
 - m. Flat River Tailings;
 - n. Contaminated Soils;
 - o. Re-vegetation; and
 - p. All other infrastructure.
- H.3. When completing or revising the Closure and Reclamation Plan referenced in Part H, item 1 the Licensee shall for each component listed in Part H, item 2, provide a detailed engineering discussion on how information, data and conclusions from plans required under Part F, items 1, 2, 4 to 7, 9 to 11, 13, 14, 16, 19, and 21 of this Licence will be incorporated into each of the following:
- a. Closure objectives;
 - b. Closure criteria;
 - c. Reclamation activities and a detailed justification that they meet Part H, Item 3 (a) and (b);
 - d. Physical Stability;
 - e. Chemical Stability;
 - f. Aesthetics and future use;
 - g. Closure Monitoring Program;
 - h. Location on a map drawn to scale depicting prior to closure conditions including SNP stations; and
 - i. Location on a map drawn to scale depicting post closure conditions including closure monitoring stations.
- H.4. The Licensee shall include a work plan when completing or revising the Closure and Reclamation Plan referenced in Part H, item 1 detailing the timeline for completion of all research activities related to the reclamation work planned for each component of the undertaking listed in Part H, item 2. This work plan shall identify links between research conducted and any information gaps addressed to establish measurable closure criteria.
- H.5. The Licensee shall include a work plan when completing or revising the Closure and Reclamation Plan referenced in Part H, item 1 detailing the timeline for completion of the reclamation work planned for each component of the undertaking listed in Part H item 2.
- H.6. The Licensee shall revise the Plan referred to in Part H, item 1 if not approved. The revised Plan shall be submitted to the Board at a time and in a form as directed by the Board.
- H.7. The Licensee shall complete the reclamation work within the time schedule specified in the Plan, or as subsequently revised and approved by the Board.

- H.8. Once approved, the Licensee shall review the Closure and Reclamation Plan referenced in Part H, item 1 annually and shall modify the Plan as necessary to reflect changes in operation, technology, and results of reclamation and/or other studies. The proposed modifications shall be submitted to the Board for approval.
- H.9. Upon implementation of the Closure and Reclamation Plan referenced in Part H, item 1, the Licensee shall provide to the Board updates of all closure and reclamation activities by March 31st of each year.
- H.10. Eighteen (18) months prior to start of final closure and reclamation the Licensee shall apply to the Board for a new Licence specific to these activities.

MACKENZIE VALLEY LAND AND WATER BOARD



Chair



Witness



MACKENZIE VALLEY LAND AND WATER BOARD SURVEILLANCE NETWORK PROGRAM

LICENSEE: North American Tungsten Corporation Ltd.

LICENCE NUMBER: MV2002L2-0019

EFFECTIVE DATE OF LICENCE: January 30, 2009

EFFECTIVE DATE OF SURVEILLANCE NETWORK PROGRAM (SNP): January 30, 2009

A. Location and Description of Surveillance Network Stations

Station number	Description	Monitoring Frequency
4-1	Flat River at the mine and mill freshwater intake, located in the Water Supply Facility. (Volume only)	Continuous
4-5	Flat River at bridge downstream of airstrip.	Monthly
4-6	Decant from active Tailings pond or inflow to Wastewater Treatment Facilities.	Monthly
4-9	Discharge of oil/Water separator at Metre 628 at Sardine Creek.	Discontinued
4-10	Any point between Tailings Pond 3 and Tailings Pond 4 where seepage is visible.	Inactive
4-11	Tailings Discharge pipe into active Tailings pond.	Inactive. Replaced with 4-30
4-12	Discharge from conveyor gallery.	Inactive. Replaced with 4-42
4-13	Discharge from "E" Zone.	Monthly
4-20	Drainage culvert from Stinky Pond.	Every two weeks
4-21	Water Survey of Canada Stream gauge located on Flat River	Inactive

4-27-1	Groundwater monitoring well MW-1.	Inactive. Replaced with 4-27-16
4-27-2	Groundwater monitoring well MW-2.	Inactive
4-27-3	TP3-07-MW01/A.	Inactive. Replaced with 4-27-12
4-27-4	Groundwater monitoring well MW-5.	3/year Late June, August, October
4-27-5	TP3-07-MW02/A.	Inactive. Replaced with 4-27-13
4-27-6	Groundwater monitoring well BH-42.	Inactive. Replaced with 4-27-10
4-27-7	Groundwater monitoring well BH-43.	3/year Late June, August, October
4-27-8	Groundwater monitoring well BH-44.	3/year Late June, August, October
4-27-9	Groundwater monitoring well BH-53.	3/year Late June, August, October
4-27-10	TP4-07-MW01.	3/year Late June, August, October
4-27-11	TP5-07-MW01.	3/year Late June, August, October
4-27-12	TP3-07-MW01.	3/year Late June, August, October
4-27-13	TP3-07-MW02.	3/year Late June, August, October
4-27-14	Groundwater well southeast of Tailings Pond 5TP5 (between small creek and TP5).	3/year Late June, August, October
4-27-15	Groundwater well southeast of airstrip.	3/year Late June, August, October
4-27-16	Groundwater well East of Tailings Pond TP 1 & 2.	3/year Late June, August, October
4-27-17	Groundwater well upstream of Mine Site.	3/year Late June, August, October
4-27-18	Groundwater monitoring well (MW13-01) up-gradient of Tailings Storage Facility 7	3/year Late June, August, October
4-27-19	Groundwater monitoring well down-gradient of Tailings Storage Facility 7	3/year Late June, August, October
4-27-20	Groundwater monitoring well up-gradient of Tailings Storage Facility 6	3/year Late June, August, October
4-27-21	Groundwater monitoring well (MW12-09) down-gradient of north end of Tailings Storage Facility 6	3/year Late June, August, October
4-27-22	Groundwater monitoring well (MW12-3) down-gradient of middle of Tailings Storage Facility 6	3/year Late June, August, October

4-27-23	Groundwater monitoring well (MW12-01) down-gradient of south end of Tailings Storage Facility 6.	3/year Late June, August, October
4-28-1	Groundwater pumping well PW-1. (Designated as final Discharge point in MMER).	Monthly
4-28-2	Groundwater pumping well PW-2.	3/year Late June, August, October
4-29	Flat River, 3 Kilometres upstream of pumphouse.	Monthly
4-30	Mill Tailings at Tails Box in Mill.	Monthly
4-31	Sardine Creek Upstream of oil-water separator.	Inactive
4-32	Sardine Creek.	Monthly
4-33	Far Field Downstream Station 8.5 km – Flat River.	Monthly when accessible
4-33R	Flat River, West of Tailings Storage Facility 6	Monthly
4-34	Seepage down gradient of the Fuel Berm.	When Seepage is visible
4-35	Decant from Sewage Disposal Facilities.	Inactive
4-36	Any point between Tailings Pond 3 and the Flat River, where seepage is visible.	When Seepage is visible
4-37	Any point between Tailings Pond 4 and the Flat river where seepage is visible.	When Seepage is visible
4-38	Any point between Tailings Pond 1 and the Flat river where seepage is visible.	When Seepage is visible
4-39	Any point between Tailings Pond 2 and the Flat river where seepage is visible.	When Seepage is visible
4-40	Surface Water point on Flat River between Tailings Ponds 2 and 4.	Monthly
4-41	Surface Water point on Flat River downstream of Tailings Pond 3.	Monthly
4-42	Minewater Pump in the mill.	Monthly
4-43	Effluent from the Wastewater Treatment Facilities (sample port)	Weekly
4-44	Surface water point on Flat River approximately 180 m downstream of drainage channel from Stinky Pond	Weekly (high discharge) or Monthly (low discharge)
4-45	Flow monitoring station at Middle Bridge, upstream of Stinky Pond discharge to Flat River.	Weekly (or daily as per Part E, item 6)
4-46	Thickener Overflow/Effluent	Monthly (when thickener is operating)

4-47	Collection point within Tailings Storage Facility 7 for seepage/contact water	Weekly (when water is present)
4-48	Collection point within Tailings Storage Facility 6 for seepage/contact water	Weekly (when water is present)
4-49	Flat River, West of the North end of Tailings Storage Facility 6	Monthly
4-50	Flat River, immediately downstream of Tailings Storage Facility 6	Monthly

B. Sampling and Analysis Requirements

1. The exact location of Surveillance Network Program Station Number 4-44 shall be as approved by the Inspector.
2. Water shall be sampled monthly at Station Numbers 4-5, 4-10, 4-13, 4-29, 4-32, 4-33 if accessible, 4-33R, 4-40, 4-41, 4-42, 4-44, 4-49 and 4-50, and Station Numbers 4-34, and 4-36 to 4-39 when seepage is visible, and analysed for the following parameters:

ICP Metal Scan(Total and Dissolved) ¹
 Total Ammonia
 Nitrate-Nitrogen
 Nitrite-Nitrogen
 Chloride
 Fluoride

Sulphate
 Total Suspended Solids
 Total Dissolved Solids
 Alkalinity
 pH
 Hardness

Water sampled monthly at Station Numbers 4-10, 4-13, 4-32, and 4-42, and at Station Numbers 4-34 and 4-36 to 4-39 when seepage is visible shall also be analysed for EPH/BTEX.

3. Water shall be sampled weekly at Station Numbers 4-47 and 4-48 when Water is present and analysed for the following parameters:

ICP Metal Scan(Total and Dissolved) ¹
 Total Ammonia
 Nitrate-Nitrogen
 Nitrite-Nitrogen
 Chloride
 Fluoride

Sulphate
 Total Suspended Solids
 Total Dissolved Solids
 Alkalinity
 pH
 Hardness

4. Water shall be sampled weekly (when discharging at rates above 4,500 m³/day) or monthly (when discharging at rates less than or equal to 4,500 m³/day) at Station Number 4-44 and analysed for the following parameters:

ICP Metal Scan(Total and Dissolved) ¹
 Total Ammonia
 Nitrate-Nitrogen
 Nitrite-Nitrogen

Sulphate
 Total Suspended Solids
 Total Dissolved Solids
 Alkalinity

Chloride
Fluoride

pH
Hardness

5. Wastewater shall be sampled monthly at Station Number 4-6 and analysed for the following parameters:

ICP Metal Scan (Total and Dissolved) ¹	Sulphate	Total Organic Carbon
Total Ammonia	Chloride	Total Suspended Solids
Nitrate-Nitrogen	Fluoride	Total Dissolved Solids
Nitrite-Nitrogen	Alkalinity	BOD
Total Kjeldhal Nitrogen	pH	Faecal Coliforms
Ortho-Phosphorus	Hardness	EPH/BTEX

6. Wastewater shall be sampled monthly at Station Number 4-46 and analyzed for Total Suspended Solids.

7. Effluent shall be sampled every two weeks at Station Number 4-20, and weekly at Station Number 4-43 when the Wastewater Treatment Facilities are operating, for the following parameters:

ICP Metal Scan (Total and Dissolved) ¹	Sulphate	Total Suspended Solids
Total Ammonia	Chloride	Total Dissolved Solids
Nitrate-Nitrogen	Fluoride	BOD
Nitrite-Nitrogen	Alkalinity	Faecal Coliforms
Ortho-Phosphorus	Hardness	
Total Organic Carbon	pH	

8. Groundwater shall be sampled three times per year (approximately late June, August, and October) at Station Numbers. 4-27-4, 4-27-7 to 4-27-23 and Station Number 4-28-2 at the piezometers listed in the following table. Groundwater shall also be sampled at Station No. 4-28-1 monthly. All samples shall be analysed for the following parameters:

ICP Metal Scan (Total and Dissolved) ¹	EPH/BTEX
Total Suspended Solids	Total Organic Carbon
Sulphate	Alkalinity
Total Ammonia	Hardness
Nitrate-Nitrogen	pH

All piezometers at each well location shall be sampled if sufficient sample is available. The piezometric head and number shall be recorded.

The groundwater shall be sampled annually for cyanide.

Surveillance Station Number	Piezometers to be sampled		
4-27-1 Inactive	MW1-10	MW1-6	MW1-1
4-27-2 Inactive	MW2-7	MW2-4	MW2-1
4-27-3 Inactive	MW3-10	MW3-6	MW3-1
4-27-4	MW5-9	MW5-5	MW5-1
4-27-5 Inactive	MW6-13	MW6-8	MW6-1
4-27-6 Inactive	BH42-3	BH42-2	BH42-1
4-27-7	BH43-12	BH43-6	BH43-1
4-27-8	BH44-4	BH44-2	BH44-1
4-27-9	BH53		

9. Slurry at Station No. 4-30 shall be sampled monthly for the following parameters:

ICP Metal Scan (Dissolved) ¹
Sulphate
Alkalinity

Total Ammonia
Total Dissolved Solids

10. All sampling, sample preservation, and analysis shall be conducted in accordance with methods prescribed in the current edition of "Standard Methods for the Examination of Water and Wastewater" at the time of analysis, or by such other methods approved by an Analyst.
11. All analyses shall be performed in a laboratory approved by an Analyst.
12. The Licensee shall annually review the approved Quality Assurance and Quality Control Plan referenced, in Part F, Item 3 and modify the Plan as necessary. Proposed modifications shall be submitted to an Analyst for approval.
13. The Quality Assurance and Quality Control Plan, referenced in Part F, Item 3, shall be implemented as approved by an Analyst.

C. Other Monitoring Requirements

1. The Licensee shall record and report the weekly quantity of Water in cubic metres withdrawn from the Water Supply Facility.
2. The Licensee shall record and report the quantity of ore milled in tonnes per month.
3. The Licensee shall record and report the weekly quantity of Waste in cubic metres discharged to the Tailings Containment Area.

4. The Licensee shall record and report the weekly quantity of thickener overflow volume discharged to the WWTF or Tailings Pond 5.
5. The Licensee shall record and report the weekly volume of contact Water discharged to the WWTF or Tailings Pond 5 from each of the Dry Stack Tailings Storage Facilities.
6. The Licensee shall record and report the weekly quantity of liquid Waste in cubic metres discharged to Stinky Pond from the Wastewater Treatment Facilities.
7. The Licensee shall record and report the weekly flow and velocity at the discharge culvert and channel between Stinky Pond and the Flat River. The operational status of the Wastewater Treatment Facilities shall be recorded when the measurements of flow and velocity are made.
8. The Licensee shall record and report the weekly discharge volume, in cubic metres, of the Flat River, measured at S4-45. During transition periods between discharge rates, as outlined in the approved Hydrology Plan, the Licensee shall record and report the daily discharge volume of the Flat River, measured at S4-45, in cubic metres, to the Inspector and the Board.
9. The Licensee shall record and report the results of the weekly lithological identification and sulphur plus carbon analyses used to determine acid generating potential of Waste Rock.
10. The Licensee shall record and report the monthly composite mill tails sample that is analysed and used to characterize the potential for acid rock drainage potential.
11. The Licensee shall record and report the observations from the daily inspection of the Tailings Containment Area as required under Part E, Item 6 (c).
12. The Licensee shall record and report the observations from the daily inspection of the Wastewater Treatment Facilities as required under Part E, Item 6(d).
13. The Licensee shall record and report the results of weekly dry stack Tailings moisture and density testing.
14. The Licensee shall record and report the data from the piezometers and inclinometers, and other approved instrumentation installed in the Tailings Containment Area and the Dry Stack Tailings Storage Facilities.

D. Reports

The Licensee shall, within 60 (sixty) days following the month being reported, submit to the Board all data and information, in an electronic and spreadsheet or database format acceptable to the Board, required by the "Surveillance Network Program" including the results of the approved Quality Assurance and Quality Control Plan.

Notes:

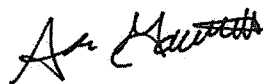
¹ICP-MS Metal Scan (Total or Dissolved) shall include, at a minimum, analysis of the following parameters at the lowest available detection limit for the sample type:

Aluminium	Arsenic*
Beryllium	Boron
Cadmium	Chromium
Cobalt	Copper
Iron	Lead
Manganese	Mercury
Molybdenum	Nickel
Phosphorus	Selenium*
Silver	Strontium
Thallium	Tungsten
Uranium	Vanadium
Zinc	

* Also to be analysed by Hydride Atomic Absorption

MACKENZIE VALLEY LAND AND WATER BOARD


Chair



Witness

Schedule 1**Part C: Conditions Applying to Security Requirements****Security Requirements Part C, Item 1**

1. Pursuant to section 35 of the Act and section 11 of the Regulations, the Licensee shall post security on the schedule set out below and once all installments are provided to the Minister, shall maintain a security deposit totaling \$30,950,000:
 - a. Within 90 days of the effective date of this Licence, the Licensee shall post and maintain a security deposit of \$27,950,000;
 - b. 90 days prior to construction of Tailings Storage Facilities 4b and 7, the Licensee shall post and maintain an additional security deposit of \$1,100,000; and
 - c. 90 days prior to construction of Tailings Storage Facility 6, the Licensee shall post and maintain an additional security deposit of \$1,900,000.

Annex A - Schedule

Supplemental information to be submitted by Licensee as required through Licence Conditions

Licence Condition	Report Title/Required Action	Timeline for Submission
Part B, Item 2	Annual Report	March 31 each year
Part B, Item 8	Identify SNP Station with Sign Postage	At all times
Part C, Item 1	Post and Maintain Security Deposit	In accordance with Schedule 1
Part D, Item 3	Volume of Water Withdrawn from the Flat River, Complete with Pump Specifications	Submitted with Annual Water Use Fees
Part D, Item 4	Submit Water Use Fee	Prior to each new year
Part E, Item 9(c)	Daily Inspection of TCA	Monthly with SNP Report
Part E, Item 9(d)	Daily Inspection of WWTF and associated infrastructure	Monthly with SNP Report
Part E, Item 9(e)	Independent Dam Safety Review	Review completed by October 1, 2012 (Report due within 90 days of completion), and every five years thereafter
Part E, Item 9(f)	Yearly inspection of TCA	Submitted 90 days after inspection
Part E, Item 25	Landfarm Design	60 days prior to construction

Part E, Item 26	Solid Waste Disposal Facility	60 days prior to construction
Part E, Item 28	Final Detailed Design Plans	90 days prior to the construction of TSF4b and TSF7, and six months prior to the construction of TSF6
Part E, item 29	Final Cover Design	90 days prior to the installation of a cover on TSF4b and TSF7, and six months prior to the installation of a cover on TSF6
Part E, item 31	Notification to the Inspector	10 days prior to commencing construction of any Dry Stack Tailings Storage Facility
Part E, item 32	As-Built Reports	Within 90 days of completion of construction of each of the Dry Stack Tailings Storage Facilities
Part F, item 1	Water Management and Mine-site Erosion and Sediment Protection Plan	90 days prior to the construction of any Dry Stack Tailings Storage Facility
Part F, item 2	Hydrogeological Groundwater Study Report	January 31, 2016
Part F, item 3	Quality Assurance/Quality Control Plan	March 31, Annually (as required)
Part F, item 4	Flat River Erosion and Sediment Protection Plan	90 days prior to the construction of TSF6
Part F, item 5	Waste Management Plan	January 31, 2013
Part F, item 6	Geochemical Risk Assessment Report	May 31, 2014

Part F, item 7	Geochemical Load Balance	March 31, 2014
Part F, item 8	Information Gap Analysis	June 1, 2015
Part F, item 9	Integrated Geochemical Load Balance and Risk Assessment Report	January 31, 2016
Part F, item 10	Tailings Containment Area Monitoring Plan	May 31, 2011
Part F, item 11	Tailings Containment Area Cover Design Study	December 31, 2014
Part F, item 12	Research and Monitoring Plan for TSF4b	June 1, 2015
Part F, item 13	Tailings Storage Facility Cover Design Study Progress Report	March 31, annually until a Final Cover Design is approved for TSF6
Part F, item 14	Tailings Processing and Storage Facilities Management and Monitoring Plan	90 days prior to operation of the Dry Stack Tailings Processing Facility, 90 days prior to the construction of TSF4b and TSF7, and six months prior to the construction of TSF6
Part F, item 15	Groundwater Pumping Contingency Plan	September 30, 2011, and then within 6 months of the submission for Part F, Item 2
Part F, item 16	Historical Data and Interpretation Report	February 29, 2012
Part F, item 17	Emergency Preparedness Plan	90 days prior to the construction of any new Dry Stack Tailings Storage Facility

Part F, item 18	Operations, Maintenance, and Surveillance Manual – WWTF	January 31, 2013
Part F, item 19	Environmental Site Assessment, Phase 2	To be Determined
Part F, item 20	Qualitative Risk Assessment of Historic Flat River Tailings	To be Determined
Part F, item 21	Quantitative Risk Assessment of Historic Flat River Tailings	To be Determined
Part F, item 22	Plume Delineation Study Design	Completed.
Part F, item 23	Plume Delineation Study Report	90 days after completion of 2014 Plume Delineation Study
Part F, item 24	Hydrology Management Plan	Completed.
Part F, item 25	Evaluation Report	Six months after initial high discharge period
Part G, Item 1	Notification of Modifications	60 days prior to Construction
Part G, Item 3	Modification As-Built Drawings and Plans	90 days after completion of construction
Part H, Item 1	Closure and Reclamation Plan	March 31, Annually

Annex B – Water Quality Objectives

Water quality objectives to be met in the Flat River at the mixing zone boundary (SNP4-44)

Parameter	Water Quality Objective (mg/L)
Total Suspended Sediments	6
Ammonia as N	1.27
Nitrite as N	0.06
Nitrate as N	3.0
Sulphate	-
Chloride	120
Fluoride	0.12
pH	6.5-9
Total Aluminum	0.3
Total Arsenic	0.005
Total Boron	1.5
Total Cadmium	0.00021
Total Chromium	0.001
Total Copper	0.0032
Total Iron	1.3
Total Lead	0.005
Total Mercury	0.000026
Total Molybdenum	0.073
Total Nickel	0.125
Total Selenium	0.001
Total Silver	0.0001
Total Thallium	0.0008
Total Uranium	0.015
Total Zinc	0.03

Annex C Revisions to Water Licence # MV2002L2-0019

List of changes that have been made to the Water Licence since Amendment Date

Date	Location of Change	What has changed
April 2, 2014	Part A: Scope and Definitions	Several Definitions updated to reflect changes to MVRMA and the new <i>Waters Act</i>
	Part B, item 2	Weekly flow reporting
	Addition of Part E, items 5, 6 and 7	Flow based discharge limits
	Part E, item 16	EQC Changed (See April 2, 2014 EQC Appendix to Reasons for Decision)
	Addition of Part F, item 21	Hydrology Plan
	Addition of Part F, item 22	Evaluation Report
	Addition of SNP Station 4-45	Flat River Flow Monitoring
	Addition of SNP Part B, item 3	Weekly Sampling
	Addition of SNP Part C, item 6	Weekly/Daily Discharge Measurement
March 2, 2015	Part A: Scope and Definitions	Scope and definitions updated to address new Dry Stack Tailings Processing and Storage Facilities
	Part B, item 2	Reporting of size and volume of waste discharged to and from new Dry Stack Tailings Storage Facilities Reporting of geotechnical performance monitoring results for new facilities

March 2, 2015	Addition of Part B, item 4	Compliance with schedules annexed to Licence
	Part B, item 6	Addition of schedules
	Part C, item 1	Security detailed in Schedule 1
	Part E, item 1	Included new Dry Stack Tailings Storage Facilities
	Addition of Part E, item 27	Specifications for design, operation, and maintenance of Dry Stack Tailings Storage Facilities
	Addition of Part E, item 28	Final Detailed Design Plans for Dry Stack Tailings Storage Facilities
	Addition of Part E, item 29	Final Cover Designs for Dry Stack Tailings Storage Facilities
	Addition of Part E, item 30	Construct Dry Stack Tailings Storage Facilities and covers as per approved designs
	Addition of Part E, item 31	Notify Inspector prior to commencing construction of Dry Stack Tailings Storage Facilities
	Addition of Part E, item 32	As-Built Reports for Dry Stack Tailings Storage Facilities
	Part F, item 1	Update Water Management and Mine-site Erosion and Sediment Protection Plan
	Part F, item 2	Update Hydrogeological Groundwater Study Report
	Part F, item 4	Updated Flat River Erosion and Sediment Protection Plan

March 2, 2015	Addition of Part F, item 8	Information Gap Analysis Report
	Addition of Part F, item 9	Integrated Geochemical Load Balance and Risk Assessment Report
	Addition of Part F, item 12	Research and Monitoring Plan for TSF4b
	Addition of Part F, item 13	Tailings Storage Facility Cover Design Study Progress Report
	Part F, item 14	Tailings Processing and Storage Facilities Management and Monitoring Plan
	Part F, item 17	Update Emergency Preparedness Plan
	Part F, item 25	Correct administrative error
	Part H, item 2	Include Dry Stack Tailings Processing and Storage Facilities
	SNP – Part A	Addition of new SNP stations
	SNP – Part B, items 2, 3 and 8	Update monitoring requirements to include new SNP Stations
	SNP – Addition of Part C, items 4, 5, 13 and 14	Record and report wastewater volumes and geotechnical monitoring results for Dry Stack Tailings Storage Facilities
	Schedule 1	Security requirements

**General Procedures for the Administration of Licences
Issued Under the *Waters Act*
in the Northwest Territories**

1. At the time of issuance, a copy of the Licence is placed on the Public Registry in the office of the Mackenzie Valley Land and Water Board (MVLWB or the Board) in Yellowknife and is then available to the public.
2. To enforce the terms and conditions of the Licence, the Minister of Environment and Natural Resources has appointed Inspectors in accordance with subsection 65(1) of the *Waters Act*. The Inspectors coordinate their activities with staff of the MVLWB. The Inspector responsible for Licence MV2002L2-0019 is located in North Slave Regional Office.
3. To keep the MVLWB and members of the public informed of the Licensee's conformity to the Licence's conditions, the inspectors prepare reports which detail observations on how each item in the Licence has been met. These reports are forwarded to the Licensee with a covering letter indicating which action, if any, should be taken. The inspection reports and cover letters are placed on the Public Registry, as are any responses received from the Licensee pertaining to the inspection reports. It is therefore of prime importance that you react in all areas of concern regarding all inspection reports so that these concerns may be clarified.
4. It is the responsibility of the Licensee to apply to the MVLWB for a new licence. The past performance of the Licensee, new documentation and information, and points raised during a public hearing, if required, will be used to determine the terms and conditions of any new licence. Please note that if the Licence expires and another has not been issued, then water and waste disposal must cease, or you, the Licensee, would be in contravention of the *Waters Act*. It is suggested that an application for a new licence be made at least eight months in advance of the Licence's expiry date.
5. If, for some reason, Licence No. MV2002L2-0019 requires amendment, a public hearing may be required. You are reminded that applications for amendments should be submitted as soon as possible to provide the MVLWB ample time to complete the amendment process. The process may take up to six months or more depending on the scope of the amendment requested.

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6. Specific clauses of your Licence make reference to the Board, Analyst, or Inspector. The contact person, address, phone, and fax number of each is:

Mackenzie Valley Land and Water Board:

Public Registry Clerk
Mackenzie Valley Land and Water Board
7th Floor - 4922 48 Street,
P.O. Box 2130
YELLOWKNIFE NT XIA 2P6
Phone: (867) 669-0506
Fax: (867) 873-6610

Analyst:

Analyst
Water Laboratory
Government of the Northwest Territories
P.O. Box 1320
4601- 52nd Avenue
YELLOWKNIFE NT XIA 2L9
Phone: (867) 669-2780
Fax: (867) 669-2718

Inspector:

Dehcho Regional Office
Government of the Northwest Territories
PO Box 240
FORT SIMPSON NT X0E 0N0
Phone: (867) 695-7450
Fax: (867) 695-2381

7. Specific clauses of your licence reference security. The contact person, address, and phone and fax numbers of the individual administering security deposits is:

Director, Water Resources
Environment and Natural Resources
Government of the Northwest Territories
P.O. Box 1320
YELLOWKNIFE NT X1A 2L9
Phone: (867) 873-7401
Fax: (867) 669-2716

NO. NO. S-154746
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF THE
CANADA BUSINESS CORPORATIONS ACT,
R.S.C. 1985, c. C-44

AND

IN THE MATTER OF
NORTH AMERICAN TUNGSTEN CORPORATION LTD.

PETITIONER

AFFIDAVIT #1 OF MARK WARREN

DLA Piper (Canada) LLP
Barristers & Solicitors
2800 Park Place
666 Burrard Street
Vancouver, BC V6C 2Z7

Tel. No. 604.687.9444
Fax No. 604.687.1612

Client/Matter No. 28515-00011

LZW/sxl