



This is the 2nd affidavit  
of Dennis M. Lindahl in this case  
and was made on 23 / Jun / 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, as amended

AND

IN THE MATTER OF NORTH AMERICAN TUNGSTEN CORPORATION LTD.

PETITIONER

**AFFIDAVIT**

I, **DENNIS M. LINDAHL**, of 1640 – 1188 West Georgia Street, Vancouver, British Columbia, businessperson, **SWEAR (OR AFFIRM) THAT:**

1. I am the chief financial officer and a director of North American Tungsten Corporation Ltd., the petitioner in this proceeding ("**NATC**" or the "**Petitioner**"), and as such have personal knowledge of the matters deposed to in this Affidavit except where I depose to a matter based on the information from an informant I identify, in which case, I believe that both the information from the informant and the resulting statement are true.
2. I am authorized to make this Affidavit on behalf of the Petitioner.
3. As set out in paragraph 58 of my first affidavit, NATC has received a prepayment advance (the "**Prepayment**") of US \$3 million from one of its customers, Wolfram Bergbau und Hütten AG ("**WBH**"), in respect of shipments of  $WO_3$  concentrate ("**Concentrate**").
4. The receivable owed by WBH to NATC is also approximately US \$3 million, at any given time. When additional concentrate is shipped to WBH, and the receivable

owed by WBH to NATC is increased, WBH pays down existing NATC invoices to maintain the receivable at approximately US \$3 million.

5. The foregoing arrangement came about when NATC requested WBH provide more immediate payment on Concentrate shipments. The arrangement was structured to fit within the supply agreement between the parties at that time, and was carried over into the existing WBH Supply Agreement (as defined in my first affidavit), which provides for payment within 30 days of shipping.

6. Now shown to me and attached hereto as **Exhibit "A"** is a copy of the WBH Supply Agreement, with terms related to quantity, quality specifications and price redacted.

7. The practical effect of the foregoing arrangement is that, at any given time, NATC carries a receivable owed by WBH of approximately US \$3 million, and is also indebted to WBH pursuant to the Prepayment for the same amount. As noted above, WBH effectively pays for any additional Concentrate on an ongoing basis as it leaves the mine gate.

8. It should be noted that the foregoing arrangement is separate from the WBH Loan (as also defined in my first affidavit), which is a loan transaction between NATC and WBH, secured by the Mactung Property, and unrelated to the Petitioner's shipments to, and receivables from, WBH.

9. Given paragraph 9(d) of the Initial Order, WBH has raised a concern that if the foregoing arrangement is carried forward during these CCAA proceedings, WBH may not be able to set-off the Prepayment against future receivables owed by WBH to NATC.

10. As a result, WBH has requested that NATC agree to amend the WBH Supply Agreement to provide for:

- (a) an immediate set-off of the Prepayment against any currently outstanding NATC invoices; and
- (b) payment of any future shipments of Concentrate shortly after they leave the mine gate.

This would more accurately reflect the current practice between WBH and NATC, and eliminate the accounting issue between the Prepayment and the US \$3 million of carried receivables.

11. A form of amendment agreement reflecting the foregoing terms (the "**Amendment Agreement**") is being finalized at the time of this affidavit. In addition to

the foregoing, the Amendment Agreement will be conditional on approval from the Court in these proceedings.

12. If the WBH Supply Agreement is not amended as set out above, I am concerned that WBH may revert to the existing payment terms and begin reducing the Prepayment amount immediately. This could result in NATC not being paid for its shipments for up to 30 days. As set out in the cashflow attached as Exhibit "D" to my first affidavit, the company is highly dependent on receiving payment for shipments as soon as possible in order to manage its cashflow during these proceedings. A 30 day interruption in WBH's ongoing payments could result in the company being unable to continue its normal business operations.

13. As a result, in my view, approval of the Amendment Agreement will be critical to the Petitioner's ability to present a plan of arrangement to its creditors.

SWORN (OR AFFIRMED) BEFORE ME at  
Vancouver, BC, on 23 / 06 / 2015.



A Commissioner for taking Affidavits within  
British Columbia



DENNIS M. LINDAHL

JORDAN D. SCHULTZ  
*Barrister & Solicitor*  
DENTONS CANADA LLP  
20th Floor, 250 Howe Street  
Vancouver, B.C. V6C 3R8  
Telephone (604) 687-4460

SUPPLY AGREEMENT

THIS SUPPLY AGREEMENT ("Agreement") is entered into this 20<sup>th</sup> day of February, 2014 by and between Wolfram Bergbau und Hütten AG (WBH), an Austrian corporation having an address at Bergla 33, 8543 St. Martin im Sulmtal, Austria and North American Tungsten Corporation LTD ("NTC"), a public company listed on TSXV, having its registered office at #1640-1188 West Georgia Street, Vancouver, BC V6E 4A2, Canada.

WHEREAS, NTC and WBH entered into and are operating under the Supply Agreement dated July 12, 2010 and amended March 31, 2012 that concerns the purchase and sale of tungsten concentrates produced at the Cantung Mine ("Former Supply Agreement"); and

WHEREAS, concurrently with this Agreement, the Parties have entered into certain financing and security agreements, pursuant to which, *inter alia*, WBH will provide a loan to NTC in the amount of US\$2,500,000.00 subject to conditions set forth therein (the "Financing Agreements"); and

WHEREAS, in connection with the Financing Agreements, the Parties desire to have this Agreement replace and supersede the Former Supply Agreement, whereupon NTC will sell and WBH will purchase tungsten concentrates produced at the CanTung Mine ("Mine") on the following terms and conditions;

NOW, THEREFORE, intending to be bound legally, and in consideration of the mutual representations, warranties, covenants and agreements set forth herein, the receipt and legal sufficiency of which are hereby acknowledged, the Parties agree as follows:

**Section 1      Effective Date**

March 1, 2014.

**Section 2      Term**

- (1) Subject to earlier termination in accordance with Section 17 (Termination and Suspension) the term of this Agreement shall commence on the Effective Date and end on the latter to occur ("**Initial Term**") of:
  - (a) February 1, 2017; or
  - (b) the date on which the Total Contracted Quantity defined below in Section 4 has been delivered in total to WBH, provided, however, that WBH shall have a right, in its sole discretion, to extend the Initial Term on the same terms and conditions, as set forth in Appendix 1 as would apply to the Extension Terms, until all amounts outstanding under the Financing Agreements have been repaid in full.

This is Exhibit " 4 " referred to in the affidavit of Dennis Lindahl sworn before me at Vancouver, BC this 23 day of June 2015  
.....  
A Commissioner for taking Affidavits for British Columbia



- (2) Notwithstanding and in addition to the above if neither Party gives written notice to the other by February 1, 2016, this Agreement shall automatically renew for one year (the "**Initial Extension Term**") and the terms and conditions applicable during the Initial Extension Term shall be the same as those applicable during the final twelve months of the Initial Term.
- (3) In addition, if the Initial Extension Term is in place, and if neither Party gives written notice to the other by February 1, 2017, this Agreement shall automatically renew for a subsequent one (1) year term on the same terms and conditions applicable during the Initial Extension Term (the "**Second Extension Term**").

**Section 3        Concentrates**

Scheelite concentrate processed at the Cantung Mine ("**Mine**") to be supplied in accordance with the quality specifications set forth in Section 6 (the "**Quality Specifications**") or procured by NTC from alternative suppliers in accordance with the Quality Specifications and in compliance with all other terms and conditions of this Agreement ("**Concentrate**").

**Section 4        Quantity**

**R E D A C T E D**

**Section 5            Shipment and Delivery**

- (1) Shipments are considered to occur when the Concentrate leaves the Mine and the related trucking Bill of Lading is provided to WBH. Shipments shall be in containers. One container equals maximum twenty four (24) tons or forty-eight thousand (48,000) pounds contained in Super Sacks according to WBH's specifications.
- (2) NTC shall provide WBH with a three (3) months rolling forecast of future shipments.
- (3) Except as provided herein, all shipments shall be CIF Rotterdam INCOTERMS 2010. Title to the property will transfer to WBH upon receipt by designated carrier at the Mine. Risk of loss transfers to WBH upon loading at ship loading terminal. Final delivery to be at WBH's designated warehouse in Rotterdam. NTC shall arrange and pay for all transportation and insurance. WBH will reimburse NTC for 50% of the freight costs. In connection with the foregoing, NTC does not reserve its right of disposal.

**Section 6            Quality Specifications**

**R E D A C T E D**

# REDACTED

- (2) WBH may, at its sole discretion, elect to reject any shipment or delivery that does not meet the Quality Specifications or other requirements set forth in this Agreement, whether in whole or in part. All costs associated with the return of rejected Concentrate, including but not limited to freight and duties, shall be borne by NTC.
- (3) If NTC becomes aware that a shipment will not meet the Quality Specifications, in whole or in part, NTC shall inform WBH of the same at its earliest opportunity and, without prejudice to WBH's right to reject any shipment, NTC shall compensate WBH for any costs and expenses incurred as a result of accepting such non-conformity, whereupon the Parties shall enter into negotiations in good faith in order to agree upon reasonable compensation for the loss suffered by WBH and/or a reduction in the Purchase Price.
- (4) If WBH determines that any delivery does not meet the Quality Specifications, in whole or in part, WBH may, without prejudice to WBH's right to reject any shipment, inform NTC of the same, NTC shall compensate WBH for any costs and expenses incurred as a result of accepting such non-conformity, whereupon the Parties shall enter into negotiations in good faith in order to agree upon reasonable

compensation for the loss suffered by WBH and/or a reduction in the Purchase Price.

- (5) If WBH accepts non-conforming Concentrates then, subject to receipt of compensation as set forth above or as may otherwise be mutually agreed, the delivery of such Concentrates will count towards the delivery of the relevant Total Contracted Quarterly Quantity and the Total Contracted Quantity.
- (6) WBH reserves any other rights or remedies available under this Agreement or by law, where such rights at law are not inconsistent with this Agreement, in the event any shipment or delivery does not meet the Quality Specifications or other requirements set forth in this Agreement, including the right to reject any shipment.
- (7) The shipments shall be made in the manner specified in Section 5 (Shipments).

**Section 7      Price**

**R E D A C T E D**



## Section 8 Payment Terms

- (1) Payments for shipments to WBH shall be made at WBH's election as follows:
  - (a) Following proof of shipment from Mine and presentation of electronic trucking Bill of Lading (the "**Date of Payment**") to NTC's designated account in accordance with the supplier financing arrangement set forth below:
    - (i) The Parties shall establish a supplier financing arrangement on mutually agreed terms and conditions with WBH's designated bank ("**Bank**") whereby NTC will have the ability to submit WBH's invoices to the Bank for immediate prepayment with a payment term for WBH of up to one hundred eighty (180) days by entering into a corresponding agreement with the Bank (the "**Prepayment Agreement**"). NTC shall be responsible for costs and fees arising in connection with the supplier financing arrangement. WBH or its affiliates and Bank have entered into a cooperation agreement (the "**Cooperation Agreement**") whereby Bank will prepay invoices submitted by NTC to WBH under this Agreement according to terms and conditions set forth in the Cooperation Agreement and the Prepayment Agreement;
    - (ii) WBH and NTC agree that all invoices under this Agreement shall be presented by NTC to Bank for prepayment in accordance with the terms and conditions set forth in the Cooperation Agreement and the Prepayment Agreement; or
  - (b) 30 days following presentation of proof of shipment of Concentrates from Mine and presentation of electronic trucking Bill of Lading via wire transfer to NTC's designated account. Notwithstanding, during the Term, WBH has the right to maintain an outstanding amount due NTC of no less than US\$3,000,000 in accordance with Section 11.
- (2) Further, at NTC's request, WBH undertakes to cooperate with Export Development Canada ("**EDC**") in providing EDC directly with WBH's relevant financial statements/information as required by EDC for the purpose of NTC obtaining accounts receivable insurance. If NTC no longer utilizes EDC, NTC will cooperate with another third party for the purpose of NTC obtaining receivable insurance, provided that in no event shall such cooperation with EDC or any third party conflict with the supplier financing arrangement described above.

## Section 9 Weighing, Sampling and Assaying

- (1) Weighing, Sampling and Assaying ("**W/S/A**") by WBH shall be final for determination for payment and settlement subject to (5) below.
- (2) NTC will provide the weight, moisture content, W03 assay and sulphur assay with each shipment.

- (3) Upon arrival of the Concentrates at WBH's facilities, WBH shall assay the shipment based on a container load composite sample and provide the results within ten (10) business days to NTC. WBH shall retain the sample for further testing, if requested.
- (4) If the difference between NTC and WBH's assay is less than 0.5% W03 then WBH's assay shall be the final settlement with respect to W03 content.
- (5) If the difference is greater than 0.5% W03 or if other non-conformities in quality are claimed, then NTC or WBH can elect to send a sealed sample of the Concentrates sampled and retained by WBH to A.H. Knight International Ltd. ("AHK") or SGS who will assay independently. The AHK or SGS assay will be final for the purposes of settlement. The party whose assay falls furthest from the AHK or SGS assay will pay the cost of the AHK or SGS assay with respect to W03. If the independent assay reveals other material non-conformities with respect to the quality specifications, then NTC shall pay the cost of the assay, and WBH may exercise any available rights or remedies.

#### **Section 10 Purchase Orders**

This Agreement constitutes a long term multiple delivery contract and not a framework agreement for future deliveries. Therefore, deliveries under this Agreement are not subject to further instructions or purchase orders of WBH. However, from time to time, WBH, or other permitted buyer hereunder, shall for documentation purposes only issue purchase orders ("**Purchase Orders**") for Concentrates pursuant to this Agreement. Such Purchase Orders shall be used and referenced by NTC for the purpose of administering quantities, shipping documentation, invoicing and payments. Any conflict between this Agreement and such Purchase Orders or any confirmations or other documents or instruments issued by any Party shall be resolved in favour of this Agreement.

#### **Section 11 Prepayment**

WBH, under the Former Supply Agreement, made a US\$3 million repayment to NTC for Concentrates, which prepayment was not to be applied for any particular Concentrate until the Former Supply Agreement was terminated. In conjunction with the signing of this Supply Agreement, the US\$3 million prepayment will remain outstanding with the following terms and conditions:

- (1) The prepayment will not be applied as payment for any particular Concentrate until this Agreement has been terminated as contemplated in Section 2.
- (2) Delivery of the Concentrates and payment terms shall be structured such that WBH shall have title to US\$3 million in unpaid Concentrate plus interest until this Agreement is terminated as contemplated in Section 2 upon which time WBH shall apply the US\$3 million prepayment plus interest against final Concentrate deliveries and NTC's outstanding accounts receivable.
- (3) The interest on the US\$3 million prepayment shall be one-year 3% which shall be calculated from the Closing Date.

- (4) The interest on the US\$3 million prepayment will be paid quarterly beginning on March 31, 2014 and on June 30, 2014, September 30, 2014, December 31, 2014 and the same dates in each year thereafter so long as any amount on the prepayment is outstanding.
- (5) For the sake of clarity, as security for the US \$3 million prepayment, NTC shall ensure that during the Term, WBH shall have title to a corresponding amount of Concentrates.
- (6) If an insolvency or similar event as contemplated pursuant to Section 17(2)(e) occurs, WBH shall have the right to set off any amount owed to NTC against the unpaid amount of the US \$3 million prepayment.

## **Section 12 Insurance**

For convenience, NTC shall, at its sole cost and expense, obtain and maintain from a reputable insurance company, adequate and suitable general and public liability insurance coverage covering all claims (including without limitation, personal injury, property damage and/or products liability claims) by third parties (including without limitation, governmental and political bodies, agencies and other regulatory authorities) allegedly caused by or resulting from the performance or breach of such party's obligations hereunder, and such coverage shall be reasonably satisfactory to WBH. NTC will furnish to WBH such evidence of such policies as WBH shall reasonably require. For greater certainty, the parties acknowledge that NTC shall ensure that all shipments are insured from the Mine to delivery at WBH's designated warehouse in Rotterdam (with WBH as the sole named insured and loss payee in respect of all marine cargo insurance).

## **Section 13 Warranty**

NTC warrants and represents to WBH that the Concentrates delivered under this Agreement will comply in all aspects to the Quality Specifications described in Section 6 and will be of good quality and fit for intended use.

## **Section 14 Confidentiality**

- (1) It is stipulated and agreed that since each party has received, and will be in a position to become acquainted with, certain of each other's confidential, privileged and proprietary information, product pricing, delivery terms, specifications and volumes, including without limitation, documents which are marked confidential, proprietary or privileged or bear a similar mark of like import such information shall be kept confidential; excluding, however, any information:
  - (a) which is or becomes available to the public through no act, omission or fault of, and absent any breach of a covenant or obligation hereunder by, the party whose obligation it is to keep such information confidential;

- (b) which the party whose obligation it is to keep such information confidential may have received lawfully from any third party without restrictions as to disclosure thereof and without breach of this Agreement;
  - (c) which was developed by the party whose obligation it is to keep such information confidential without (as established by documentation or by other appropriate evidence) the use of the other party's Confidential Information or any breach of this Agreement or any other agreement; or
  - (d) any information which a party is obligated to disclose by operation of law or regulatory agency rules to which a party may be subject, provided, however, that prior to any such disclosure, such party give the other party notice of the circumstances relating to such compelled disclosure and an opportunity to seek an appropriate protective order or limit disclosure with respect thereto.
- (2) (Each party's respective confidential, privileged and proprietary information is referred to herein as such party's "**Confidential Information**"). NTC agrees that the Confidential Information of WBH, and WBH agrees that the Confidential Information of NTC, is an integral and key part of the assets of each respective entity and that the unauthorized use or disclosure of the other party's Confidential Information would seriously damage the owner thereof in its business. As a consequence of the above, NTC and WBH hereby agree that, during the Term and thereafter:
- (a) NTC and WBH shall not, directly or indirectly:
    - (i) use any of the other party's Confidential Information, except as may be necessary to perform its obligations hereunder; or
    - (ii) disclose, furnish or make accessible, or cause any Person to disclose, furnish or make accessible, any aspect of the other party's Confidential Information to any Person (other than the other party),
  - (b) except, in either case (i) or (ii), as may be expressly authorized by the other party in writing or as required by law or pursuant to a court order; provided, however, that prior to any compelled disclosure, the party whose obligation it is to keep such information confidential shall have given the other party notice of the circumstances relating to such compelled disclosure and an opportunity to seek an appropriate protective order with respect thereto.
- (3) Except as required by law or pursuant to a court order:
- (a) NTC and WBH shall each use no less than the care a reasonably prudent Person would use in safeguarding his, her or its Confidential Information;
  - (b) NTC and WBH shall each limit access to the other party's Confidential Information to its employees who require access to such Confidential Information for the purposes of performing its obligations hereunder; and

- (c) NTC and WBH shall each refrain from any action or conduct which might reasonably be expected to compromise the confidential, privileged or proprietary nature of the other party's Confidential Information.
- (4) NTC and WBH shall each comply with reasonable requests made by the other from time to time regarding the protection of the confidential, privileged and proprietary nature of the other party's Confidential Information. Upon the written request of either party, the other party shall return to the requesting party all tangible forms of the requesting party's Confidential Information, including any and all copies thereof.
- (5) Nothing herein shall prevent NTC and WBH from disclosing information by way of a news release or other public document respecting this Agreement where such disclosure is required by law or regulatory authority, provided that each party has reviewed and consented to such disclosure. The provisions of this Section shall survive expiration or termination of this Agreement.

#### **Section 15      Assignment**

- (1) NTC may not assign or transfer any rights, obligations or interests pertaining to this Agreement (whether by sale of assets, equity interests, merger or other business arrangement) to any other person or entity without the prior written consent of WBH, not to be unreasonably withheld.
- (2) WBH may, without the consent of NTC, assign its rights and obligations under this Agreement to an affiliate in the Sandvik Group or WBH's designated Bank or inventory management provider. WBH may, with the prior written consent of NTC, not to be unreasonably withheld, assign its rights and obligations under this Agreement to any other person or entity that shall have been approved by EDC. Unless agreed otherwise, WBH shall remain responsible for performance of this Agreement.

#### **Section 16      Entire Agreement**

The terms and conditions of this Agreement constitute the entire agreement between the Parties relating to the supply of tungsten concentrates and, effective February 1, 2014 this Agreement shall supersede the Former Supply Agreement and any and all previous agreements or understandings written or oral on the subject matter hereof, as may have existed. This Agreement may be modified only by a written agreement, signed by both parties, expressly modifying the Agreement.

#### **Section 17      Termination and Suspension**

- (1) NTC shall have the right to terminate this Agreement with immediate notice in the event that:
  - (a) WBH becomes insolvent or a bankruptcy petition is filed against it, or cannot promptly present to NTC adequate assurances of performance within fifteen (15) calendar days if requested;

- (b) WBH fails to purchase and pay for the targeted minimum monthly quantities of Concentrates for any three (3) consecutive month period during the term of the Agreement; or
- (2) WBH shall have the right to terminate this Agreement with immediate notice in the event that:
- (a) Concentrates does not materially conform to Specifications for three (3) consecutive months; or
  - (b) NTC otherwise fails to make deliveries or breaches any other material term or material condition as provided in this Agreement; or
  - (c) NTC assigns this Agreement to any person engaged in the production, manufacturing and distribution of downstream products made of Tungsten concentrate (“Competitor”); or
  - (d) NTC or its shareholders transfer or sell or sell any interest in the Mine to a Competitor; or
  - (e) NTC becomes insolvent, enters into bankruptcy or similar proceedings, or cannot promptly present to WBH adequate assurances of performance within fifteen (15) calendar days if requested; or
  - (f) NTC breaches the Financing Agreements or any Event of Default occurs thereunder.
- (3) If an event occurs that would entitle WBH to terminate under (2), then WBH may, in its sole discretion, remain party to this Agreement but demand immediate repayment of any outstanding amounts under the Financing Agreements, including all accumulated interest thereunder.

#### **Section 18      Governing Law**

This Agreement shall be governed by the laws of New York, excluding its conflict of laws rules and excluding the UN Convention on Contracts for the International Sale of Goods.

#### **Section 19      Dispute Resolution**

The Parties agree to attempt to settle all disputes amicably and in good faith. If settlement is not reached, such disputes shall be settled by arbitration administered by the International Centre for Dispute Resolution in accordance with its International Arbitration Rules. The arbitrator is to be appointed in accordance with said rules, and such rules are to be followed in the arbitration. The place of arbitration shall be New York, NY. The language utilized in connection with any arbitration shall be English. The arbitrators ruling shall be final and binding on both parties and non-appealable. The arbitration award will expressly rule on the costs of arbitration, including awarding of fees and legal expenses to

the other Party. Nothing herein shall be construed as preventing either party from obtaining equitable relief to which it may be entitled in a court of competent jurisdiction.

**Section 20 Notice**

Any notice or other communication permitted or required under this Agreement shall be deemed given if in writing and delivered personally or deposited into FedEx or another comparable international overnight delivery service, to the respective addresses listed below, or such other addresses of which either Party notifies the other in writing and shall be effective when received.

(a) **To WBH:**

Wolfram Bergbau und Hütten AG  
Bergla 33  
8543 St. Martin i.S.  
Austria

Attention: Ulrika Wedberg, President

**With a copy to:**

Wolfram Bergbau und Hütten AG  
Bergla 33  
A-8543 St. Martin i.S.  
Austria

Attention: Steffen Schmidt, Project Manager - International Mining

(b) **To NTC:**

North American Tungsten Corporation Ltd.  
Suite 1640 - 1188 W. Georgia Street  
Vancouver, B.C. V6E 4A2  
Canada

Attention: Kurt Heikkela

**Section 21 Force Majeure**

In the event of any strike, act of God, war, lockout, combination of workmen, interference by trade unions, suspension of labor, storm, flood, fire, accident, lack of railway or seaborne freight facilities preventing or hindering WBH or NTC from giving or receiving delivery of Concentrates under this Agreement, deliveries may be suspended during such time of Force Majeure declared by the affected party, providing always that prompt written notice shall be given by the affected party to the other party. It is expressly provided that in no event shall business impracticability, failure of subcontractor or supplier, or any cause not specifically enumerated in this article constitute a cause of Force Majeure. The occurrence of an event of Force Majeure shall not terminate this Agreement, absent the written consent of



WBH and NTC otherwise; provided, however, that WBH or NTC may, at its option, terminate this Agreement if an event of Force Majeure prevents, or such Party reasonably anticipates that it will prevent, the other Party from meeting its obligations in whole or in substantial part under this Agreement for more than (a) 90 consecutive calendar days during the Term or (b) a cumulative amount of 180 calendar days during any one year period during the Term. Provided this Agreement is not terminated following an event of Force Majeure, the Term of this Agreement shall be extended for a period equal to the period during which the event of Force Majeure prevents NTC or WBH from meeting its obligations in whole or substantial part. Both NTC and WBH shall use best efforts to avoid the occurrence and remove the causes of an event of Force Majeure and to continue performance of their respective obligations hereunder promptly following the removal of such causes. In the event that an event of Force Majeure prevents WBH or NTC from meeting its obligations hereunder in part, but not in whole, WBH and NTC shall use best efforts to equitably adjust their respective obligations hereunder consistent with and in furtherance of the purposes hereof.

## **Section 22      Audit/Inspection**

During the Term, WBH or its representatives may, upon reasonable advance notice, inspect NTC facilities and audit NTC's records applicable to this Agreement to verify that compliance with its obligations under this Agreement. NTC will provide WBH or its representatives any information and documentation that is reasonably requested in connection with such audit or inspection. NTC will reimburse WBH within 45 days after the audit is completed for any overpayments made by WBH plus interest. NTC will bear the cost of the audit and inspection if the audit or inspection reveals overpayment of 2% or more by WBH during the period of time subject to review under the audit or inspection.

## **Section 23      Compliance**

- (1) NTC warrants and represents that it shall comply with all laws, regulations or government orders concerning the production or shipment of Concentrates under this Agreement, including any national, international, state or local laws dealing with the environment, health and safety, labor and employment, transportation or storage of hazardous materials, and import/export or customs requirements, such as pre-shipment notifications. NTC further agree to adhere to the principles and expectations set forth in Sandvik's Code of Conduct and Supplier Policy, available at any time by request (the "**Code of Conduct and Supplier Policy**").
- (2) In particular, NTC warrants to WBH that the Concentrates supplied:
  - (a) have been produced under conditions that respect human rights, the environment, and the health and safety of employees and that did not involve bribery, kickbacks, or similar improper payments; and
  - (b) do not contain material from conflict regions including but not limited to the Democratic Republic of the Congo or any of its adjoining countries.

- (3) NTC commits to cooperate with WBH's requests to verify compliance with the Code of Conduct and Supplier Policy and/or to verify Concentrates origin and chain of custody. NTC shall indemnify, defend and hold WBH harmless from any liability, losses, damages, penalties or claims arising from any actual or alleged failure of NTC to comply with any of the obligations contained in this Section.

*[Signature page follows]*

This Agreement is made by and between the Parties hereto as of the Effective Date set forth above.

NORTH AMERICAN TUNGSTEN  
CORPORATION LTD

By: 

Name: Kurt Heikkela

Title: President - CEO

WOLFRAM BERGBAU UND HÜTTEN  
AG

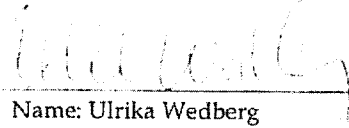
By: \_\_\_\_\_

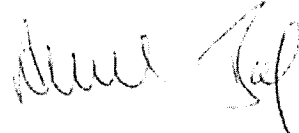
Name: Ulrika Wedberg

Title: President - CEO

WOLFRAM BERGBAU UND HÜTTEN  
AG

By:

  
Name: Ulrika Wedberg  
Title: President – CEO

  
Andreas Becke, Vice President

[Supply Agreement]