

Request for Expressions of Interest relating to the Mactung Deposit and the Cantung Mine

Introduction and Background

The Government of Canada (“**Canada**”) and the Government of the Northwest Territories (“**GNWT**”) (together the “**Governments**”) have requested that Alvarez & Marsal Canada Inc. (“**A&M**”) in its capacity as the court appointed Monitor of North American Tungsten Corporation Ltd. (“**NATC**”), seek expressions of interest from interested parties (the “**Interested Parties**”) relating to the purchase of and/or investment in the Cantung Mine site and the Mactung deposit (jointly referred to as the “**Assets**”) which are located in the Northwest Territories and the Yukon. Appendix A includes further descriptions of the Assets.

GNWT owns the Mactung deposit, which was acquired from NATC in November 2015. NATC was granted protection from its creditors pursuant to the *Companies’ Creditors Arrangement Act* (the “**CCAA**”) in June 2015. The Cantung Mine site has been in care and maintenance since November 2015 with funding provided by Canada. A&M is the Monitor of NATC, appointed by the court pursuant to the CCAA, and oversees the day to day operations of NATC. In marketing the Assets as one package, the Governments’ objectives are to transfer the Assets to the private sector to create economic development in Northern Canada and job opportunities for Northern residents as well as minimizing the costs to Canadian taxpayers from the ongoing care and maintenance and remediation of the Cantung Mine site.

Purpose of the Request for Expressions of Interest (“RFEI”)

The purpose of this RFEI is to obtain ideas from Interested Parties on potential future options for the Assets and various information requirements. NATC (through the Monitor) and the Governments are considering how to develop and proceed with a competitive sales process to meet the marketing objectives of the Governments, which may include a Request for Qualifications (“**RFQ**”) and/or Request for Proposals (“**RFP**”). NATC and the Governments wish to gauge the level of interest, experience and requirements of Interested Parties for such a process. The range of options which the Governments may consider include, but are not limited, to the following:

- i. development of the Mactung deposit;
- ii. a restart of mining operations at Cantung which may include hard rock mining and milling and reprocessing of high-grade tailings contained in various storage facilities at the Cantung Mine site while at the same time undertaking progressive remediation of the Cantung Mine site.

NATC and the Governments are open to receiving ideas regarding any other potential options relating to the Assets. It should be noted that the Assets are being offered as a package. Individual transactions involving Mactung or Cantung will not be considered at this time.

NATC and the Governments are also seeking input from Interested Parties on the following matters:

- i. what type of information or data would be required to fully evaluate the Assets and associated opportunities and to submit a proposal that NATC and the Governments can assess;

- ii. high level ideas on the commercial terms on which Interested Parties would undertake the progressive remediation of the Cantung Mine site;
- iii. how much time would be required to evaluate the opportunity;
- iv. what level of site access would be required to Mactung and Cantung and timing for these potential visits during 2019; and
- v. other considerations which the Governments should take into account in planning a sale process for the Assets.

Responses to the RFEI

Interested Parties should respond to this RFEI by submitting a letter to NATC that includes a brief statement of the nature of their interests in the Assets, including but not limited to the above options and the Interested Parties' long-term plans for the Assets. Interested Parties should also provide any input on the items requested above.

NATC and the Governments will not use any responses to this RFEI as part of any evaluation process for a future RFQ or RFP. The responses are solely for the purpose of providing NATC and the Governments with information to assist in determining how to proceed with any sale process for the Assets.

Nothing in this RFEI process shall create any contractual relations between an Interested Party and the Governments or NATC, nor create any binding obligation for the Governments or NATC.

If Interested Parties decline to respond to this RFEI they will still be able to participate in a future RFQ process.

Responses to this RFEI may be delivered by hand, regular mail, fax or email to the following location before the submission deadline of close of business on June 21, 2019.

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c/o Alvarez & Marsal Canada Inc.
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This RFEI is dated May 30, 2019.

Appendix A

Mactung Deposit

- The property is located 160 km north-west of the Cantung property on the border of the Yukon and Northwest Territories.
- The Mactung property is considered the largest undeveloped tungsten skarn deposit outside of China.
- Based on an April 2009 NI43-101 technical report, Mactung has an initial estimated life of 11.2 years with the potential to increase to 17 years. Estimated resources include indicated resources of 33.0 million tonnes (@0.88% WO₃), inferred resources of 11.0 million tonnes (@0.78% WO₃) and probable mineral reserves of 8.5 million tonnes (@1.082% WO₃) which are included in indicated resources.
- A third party 2015 scoping study indicated that the Mactung deposit could be developed into one of the world's lowest-cost producers of tungsten.
- The GNWT has recently applied to the Yukon Environmental and Socio-economic Assessment Board (YESAB) for a Class 4 Quartz Mining Land Use Approval in order to conduct ongoing exploration and care and maintenance activities.

Cantung Mine site

- The Cantung tungsten mine is located in the south-west corner of the Northwest Territories. The mine is located 740km from Whitehorse with year-round road access via Watson Lake.
- The Cantung Mine is fully permitted and has a water licence issued by the Mackenzie Valley Land and Water Board to January 2024.
- The mine is currently under care and maintenance with funding being provided by the Government of Canada.
- The latest NI43-101 technical report (dated September 2014) estimated probable mineral reserves of 1.8 million tonnes (@ 0.81% WO₃). The report also disclosed indicated resources of 3.84 million tonnes (@ 0.97% WO₃) (including the mineral reserves noted above) and inferred mineral resources of 1.4 million tonnes (@ 0.80% WO₃).
- There may also be a potential opportunity to recover WO₃ from the tailings ponds.
- Revenues and production volumes for the last year of full production (2014) were C\$85m and 274,000 MTUs of WO₃, respectively.
- Existing infrastructure includes an underground mine (flooded) and open pit, power generation, milling and concentrator plant (gravity and flotation cell circuits), waste water treatment plant, tailings storage facilities, fuel tanks, airstrip, camp, and various equipment.
- Any transaction involving Cantung will likely involve the remediation of certain aspects of the mine site. A detailed Phase III environmental and geotechnical site assessment of the Cantung mine site is well underway.