



July 4, 2016

Mackenzie Valley Land and Water Board  
7<sup>th</sup> Floor – 4922 48<sup>th</sup> Street  
PO Box 2130  
Yellowknife, NT X1A 2P6

Dear Mr. Morse

Mackenzie Valley Land  
& Water Board

File

JUL 13 2016

Application # MV 2015LJ-0003

Copied To JM/Rg

### **Cantung Mine - Progress update for the 3 months ended June 30, 2016**

We refer to MVLWB's response to North American Tungsten Corporation Ltd.'s ("NATCL") letter dated March 31, 2016 which requested that NATCL provide a progress report to MVLWB every three months outlining the activities conducted on-site during the last three month period and proposed future activities.

This report is for information purposes only and covers the period from April 1 to June 30, 2016. We advise that the activities conducted at Cantung for this period were as follows:

- regular inspections of site buildings, facilities and infrastructure;
- environmental sampling, monitoring and reporting according to MVLWB and EEM/MMER requirements;
- maintaining access to site including the Nahanni Range Road, site roads and air strip;
- maintaining mobile and other equipment used during care and maintenance;
- corresponding with and submissions to the MVLWB with respect to NATCL's care and maintenance plan and deferred requests;
- regular inspections of the underground mine and equipment;
- regular inspections of camp facilities including maintaining electrical systems for heat, light and power;
- approaching potential interested parties to discuss opportunities involving Cantung;
- working with leased equipment providers to return their redundant equipment;
- reporting on daily activities; and
- engaging with First Nations including proposed site visits for early July 2016.

In addition, NATCL has responded to notices received from INAC's Inspectors and addressed the issues raised and reported to the Inspector on the results.

NATC has engaged SRK Consulting to perform analysis work on the tailings storage facilities. This work is designed to develop a better understanding of the stability and composition of the tailings storage facilities.

Future activities for the period from July 1 to September 30, 2016 are expected to include:

- a continuation of the care and maintenance activities outlined above;
- site visit and engagement with Decho and KasKa First Nations;
- potentially seeking an extension of the CCAA related stay of proceeding which expires on October 28, 2016;
- updating the care and maintenance plan for comments received from various parties;
- receiving the SRK report and taking appropriate action;
- filing dam inspection reports;
- installing dust suppression systems on the tailings ponds;
- repairing sections of the access road damaged during freshet;
- removing hazardous waste located on site;
- continuing ongoing reporting to various authorities;
- planning for fall and winter care and maintenance activities;
- arranging for the removal of the secured lenders security (equipment, etc.) from site, subject to the lender's decision; and
- continuing discussions with potentially interested parties.

Should you have any questions regarding this progress report, please contact the undersigned.

Yours truly,  
**North American Tungsten Corporation**  
**by its Monitor, Alvarez & Marsal Canada Inc.**  
**acting in its capacity as Monitor of NATC and not**  
**in its personal capacity**



Todd M. Martin  
*Senior Vice President*

