

July 8, 2008

EBA File: W23101021.016

North American Tungsten Corporation Ltd.
#1640 - 1188 West Georgia Street
Vancouver, BC V6E 4A2

Attention: S. Wade Stogran
Vice-President of Environmental and Corporate Affairs

**Re: Avalanche Assessment for Mactung Access Road Alignment
May 9TH, 2008. MacMillan Pass, Yukon**

On May 9, 2008 fieldwork was conducted in the MacMillan Pass area to observe avalanche activity along the proposed access road and in the area of the minesite. The assessment was conducted by helicopter with no ground work. Photographs showing specific terrain and avalanche activity along the route are appended to this report with the approximate location of photos shown on Figure 1, attached. This assessment was conducted as a follow up to the assessment conducted on March 26, 2008 and identified in an April 17, 2008 letter report.

1.0 OBSERVATIONS

1.1 AVALANCHE ACTIVITY ALONG PROPOSED ACCESS ROAD

The proposed new access road to the Mactung Mine exits the Canol road approximately 3.5 km south of the MacMillan Pass airstrip. The proposed road traverses approximately 40 km to the minesite through steep mountainous terrain. An old exploration trail traverses alongside approximately the first 15 km of the route (Figure 1 attached).

Observations in the study area showed that spring melt conditions had begun. Streams were in the process of opening up fed by considerable snowpack on the hillslopes. Avalanche activity along the route was observed to vary depending on slope aspect, which is typical of spring conditions when solar radiation inputs are increasing.

Section 1 of the proposed road traverses along southwest aspect slopes. Avalanche activity along this entire section was predominantly from the smaller gullied terrain features. Only one of the larger gully features in this section of the route had experienced any substantial avalanche activity. Runout from this recent avalanche activity travelled to the elevation of the existing exploration access road. Photo 1 through Photo 3 show typical of avalanche activity along Section 1.

Section 2 of the proposed road traverses northeast then east along a small tributary to the drainage divide. Recent avalanche activity in small gullies and on smooth straight slopes on the northern side of the valley (south to southeastern aspect) was observed. Current runout on these slopes was typically to the upper to middle elevations of colluvial fans with evidence of historical runouts extending onto the valley flats based on vegetation patterns in these areas. The southern side of the valley (northwest to northern aspect) had less avalanche activity, which is probably due to lower solar radiation inputs to these slopes. Runouts on these slopes were typically limited to midslope elevations. These southern valley (northwestern aspect) slopes had substantial snowpack remaining and the potential for large avalanches cannot be discounted. Photo 4 and Photo 5 are typical of avalanche activity along Section 2.

Section 3 of the proposed road traverses north along Tributary A (Figure 1). The slopes on both sides of the valley in this section showed evidence of recent avalanche activity (see Photo 6 to Photo 8). The extent of runouts on both sides of the valley was limited to the upper sections of colluvial fans. There is considerable snowpack accumulation at high elevation and the potential for large avalanches on the western side of the valley cannot be discounted. The avalanche terrain on the eastern side of the valley has smaller catchment areas and recent avalanche activity appears to have removed much of the snow mass.

Section 4 of the proposed road traverses the northern slopes of Tributary C up to the minesite. Avalanche activity was evident along the south side of the valley (north aspect) with runouts of lower elevation gullies reaching close to the valley bottom. The northern slopes had avalanche runout to upper sections of colluvial fans. Relic avalanche debris tracks indicate historical avalanche runouts extending down to Tributary C. Larger gullies on the northern side of the valley still had residual snowpack and there is potential for avalanche activity along these slopes. Photo 9 and Photo 10 show avalanche activity along Section 4.

1.2 AVALANCHE ACTIVITY AT MACTUNG MINESITE

The Mactung mine site is located in the headwaters of Tributary C (Figure 1). There was little avalanche activity observed in the area of the proposed mine. This is likely due to the higher elevation of the minesite, where spring avalanche activity is less advanced than at the proposed access road.

One avalanche was noted on the steep north aspect slopes adjacent to the Tailings Storage Facility (Photo 11). Several small avalanches were noted on a southwest aspect slope to the west of the proposed infrastructure at an elevation of approximately 1800 m. Several small avalanches were also noted to the east of the minesite just inside the Northwest Territories. These avalanches occurred below bedrock outcrops at an elevation of approximately 1800 m.

The slopes above the proposed Ravine Dam showed no evidence of recent avalanche activity (Photo 12). However, based on slope gradient, aspect, smooth slope configuration, thickness of remaining snowpack and evidence of activity on similar slopes in the area, there is judged to be potential for avalanche activity on these slopes as the season advances. No recent avalanche activity was noted on or above the slopes where mine infrastructure is proposed (Photo 13).

2.0 SUMMARY AND DISCUSSION

Avalanche activity in the study area during the May 9, 2008 field assessment was typical of early spring conditions. Much of the avalanche activity observed during this assessment was initiated below rock outcrops or other terrain features that can act as heat sinks and increase the probability of avalanche initiation during periods of decreased snowpack stability.

Avalanche activity was noted on all slope aspects along the proposed access road route. However, northwestern aspect slopes at the start of Section 2 only had a few small avalanches. Increased avalanche activity on northwest aspect slopes may occur later in the spring but further observations will be required to verify this.

Over much of the proposed route, avalanche initiation on steep, smooth slopes and within small steep gullies indicated that much of the avalanche energy had released prior to the field reconnaissance. Large gullies along the proposed route had remaining snowpack and there is still potential for avalanche activity along much of the route as temperatures and solar radiation inputs continue to increase. Runout from recent avalanche activity was less than historical maximums based on field observations of vegetation patterns and review of available imagery for the proposed route.

The presence of several avalanches near to 1800 m elevation at the minesite suggests that the level of warming is rising in elevation but has not yet reached the avalanche source area elevations for the minesite. There is still potential for avalanche activity at the minesite given the remaining snowpack in this area. The occurrence of avalanche activity will be dependent on the spring weather patterns. Cold and clear conditions will tend to result in a more stable snowpack that sublimates in-situ. Warm night time temperatures with sunny days will tend to result in a weaker snowpack that is more susceptible to avalanche occurrence.

3.0 DELINIATION OF HIGH HAZARD AVALANCHE TERRAIN

Map 1 and Map 2 delineate the potential extent of avalanche activity observed during the May 9, 2008 aerial reconnaissance. The mapping is based on reconnaissance level investigation only, as there is insufficient information at this time to ascertain the extent of the avalanche paths and hazard along the route. More detailed avalanche path mapping,

frequency studies and snow texturing (previously recommended) are required to advance the avalanche hazard map.

4.0 RECOMMENDATIONS

The May 9, 2008 field assessment allowed for a review of avalanche activity in the project area since the March 26th field assessment. Since the initial site assessment much of the smaller avalanche terrain has released but there is still snowpack remaining in the larger gullied and northwestern aspect terrain.

A third field assessment to determine timing of the release of these larger and aspect controlled slopes is recommended to allow for a more complete understanding of the spring melt in the study area. The third field assessment would also allow for determination of the avalanche activity at the minesite which had not experienced any significant avalanche activity at the time of the May assessment. The third assessment will be conducted during the June hydrology field work. Reporting will be included as part of the proposed summer 2008 field works and no significant additional costs are anticipated.

4.1 AVALANCHE FREQUENCY – PROPOSED SNOW STUDY

The initial avalanche assessment report (EBA April 17, 2008) recommended a study to evaluate avalanche frequencies in the study area. Collection of avalanche frequency data will aid in the development of an Avalanche Hazard Management Plan for the access road and minesite.

Preliminary scoping of this study has been conducted in conjunction with an avalanche specialist with extensive experience in the Yukon Territory. It was determined that monthly flyovers during winter and twice monthly flyovers during the spring would be required to evaluate avalanche and snowpack behaviour in the project area.

The study would also incorporate a minimum of 4 snow test pit sites per trip in order to evaluate the physical structure of the snowpack. Identification of weak layers or potential shear planes (e.g. ice layers) within the snowpack is important for interpreting annual avalanche behaviour. The test pits would be excavated on different aspects to allow for better understanding of the different slopes traversed by the proposed access road.

A more detailed proposal and preliminary budget for the snow avalanche study will be provided to NATC under separate cover. This snow and avalanche study is not required for the project certification but is considered important to safely manage the avalanche hazard for the project.

5.0 CLOSURE

This report contains information on the assessment of avalanche activity along the proposed mine access road and at the Mactung minesite. This report has been prepared following current professional standards and is subject to the EBA Environmental Report General Conditions (attached) that form part of this report. EBA trusts that the information contained in this report meets your present requirements. If you have any questions or comments, please do not hesitate to contact the undersigned.

Respectfully Submitted,
EBA Engineering Consultants Ltd.



Scott C. Davidson, M.Sc., P.Geo. (BC)
Geoscientist
Whitehorse Environmental Group
Direct Line: (867) 668-2071 ext 248
e-mail: sdavidson@eba.ca



Jack T. Dennett, P.Geo. (BC)
Senior Project Geoscientist
Whitehorse Engineering Group
Direct Line: (867) 668-2071 ext 230
e-mail: jdennett@eba.ca

ENVIRONMENTAL REPORT – GENERAL CONDITIONS

This report incorporates and is subject to these “General Conditions”.

1.0 USE OF REPORT

This report pertains to a specific site, a specific development, and a specific scope of work. It is not applicable to any other sites, nor should it be relied upon for types of development other than those to which it refers. Any variation from the site or proposed development would necessitate a supplementary investigation and assessment.

This report and the assessments and recommendations contained in it are intended for the sole use of EBA’s client. EBA does not accept any responsibility for the accuracy of any of the data, the analysis or the recommendations contained or referenced in the report when the report is used or relied upon by any party other than EBA’s client unless otherwise authorized in writing by EBA. Any unauthorized use of the report is at the sole risk of the user.

This report is subject to copyright and shall not be reproduced either wholly or in part without the prior, written permission of EBA. Additional copies of the report, if required, may be obtained upon request.

2.0 LIMITATIONS OF REPORT

This report is based solely on the conditions which existed on site at the time of EBA’s investigation. The client, and any other parties using this report with the express written consent of the client and EBA, acknowledge that conditions affecting the environmental assessment of the site can vary with time and that the conclusions and recommendations set out in this report are time sensitive.

The client, and any other party using this report with the express written consent of the client and EBA, also acknowledge that the conclusions and recommendations set out in this report are based on limited observations and testing on the subject site and that conditions may vary across the site which, in turn, could affect the conclusions and recommendations made.

The client acknowledges that EBA is neither qualified to, nor is it making, any recommendations with respect to the purchase, sale, investment or development of the property, the decisions on which are the sole responsibility of the client.

2.1 INFORMATION PROVIDED TO EBA BY OTHERS

During the performance of the work and the preparation of this report, EBA may have relied on information provided by persons other than the client. While EBA endeavours to verify the accuracy of such information when instructed to do so by the client, EBA accepts no responsibility for the accuracy or the reliability of such information which may affect the report.

3.0 LIMITATION OF LIABILITY

The client recognizes that property containing contaminants and hazardous wastes creates a high risk of claims brought by third parties arising out of the presence of those materials. In consideration of these risks, and in consideration of EBA providing the services requested, the client agrees that EBA’s liability to the client, with respect to any issues relating to contaminants or other hazardous wastes located on the subject site shall be limited as follows:

1. With respect to any claims brought against EBA by the client arising out of the provision or failure to provide services hereunder shall be limited to the amount of fees paid by the client to EBA under this Agreement, whether the action is based on breach of contract or tort;
2. With respect to claims brought by third parties arising out of the presence of contaminants or hazardous wastes on the subject site, the client agrees to indemnify, defend and hold harmless EBA from and against any and all claim or claims, action or actions, demands, damages, penalties, fines, losses, costs and expenses of every nature and kind whatsoever, including solicitor-client costs, arising or alleged to arise either in whole or part out of services provided by EBA, whether the claim be brought against EBA for breach of contract or tort.

4.0 JOB SITE SAFETY

EBA is only responsible for the activities of its employees on the job site and is not responsible for the supervision of any other persons whatsoever. The presence of EBA personnel on site shall not be construed in any way to relieve the client or any other persons on site from their responsibility for job site safety.

5.0 DISCLOSURE OF INFORMATION BY CLIENT

The client agrees to fully cooperate with EBA with respect to the provision of all available information on the past, present, and proposed conditions on the site, including historical information respecting the use of the site. The client acknowledges that in order for EBA to properly provide the service, EBA is relying upon the full disclosure and accuracy of any such information.

6.0 STANDARD OF CARE

Services performed by EBA for this report have been conducted in a manner consistent with the level of skill ordinarily exercised by members of the profession currently practicing under similar conditions in the jurisdiction in which the services are provided. Engineering judgement has been applied in developing the conclusions and/or recommendations provided in this report. No warranty or guarantee, express or implied, is made concerning the test results, comments, recommendations, or any other portion of this report.

7.0 EMERGENCY PROCEDURES

The client undertakes to inform EBA of all hazardous conditions, or possible hazardous conditions which are known to it. The client recognizes that the activities of EBA may uncover previously unknown hazardous materials or conditions and that such discovery may result in the necessity to undertake emergency procedures to protect EBA employees, other persons and the environment. These procedures may involve additional costs outside of any budgets previously agreed upon. The client agrees to pay EBA for any expenses incurred as a result of such discoveries and to compensate EBA through payment of additional fees and expenses for time spent by EBA to deal with the consequences of such discoveries.

8.0 NOTIFICATION OF AUTHORITIES

The client acknowledges that in certain instances the discovery of hazardous substances or conditions and materials may require that regulatory agencies and other persons be informed and the client agrees that notification to such bodies or persons as required may be done by EBA in its reasonably exercised discretion.

9.0 OWNERSHIP OF INSTRUMENTS OF SERVICE

The client acknowledges that all reports, plans, and data generated by EBA during the performance of the work and other documents prepared by EBA are considered its professional work product and shall remain the copyright property of EBA.

10.0 ALTERNATE REPORT FORMAT

Where EBA submits both electronic file and hard copy versions of reports, drawings and other project-related documents and deliverables (collectively termed EBA's instruments of professional service), the Client agrees that only the signed and sealed hard copy versions shall be considered final and legally binding. The hard copy versions submitted by EBA shall be the original documents for record and working purposes, and, in the event of a dispute or discrepancies, the hard copy versions shall govern over the electronic versions. Furthermore, the Client agrees and waives all future right of dispute that the original hard copy signed version archived by EBA shall be deemed to be the overall original for the Project.

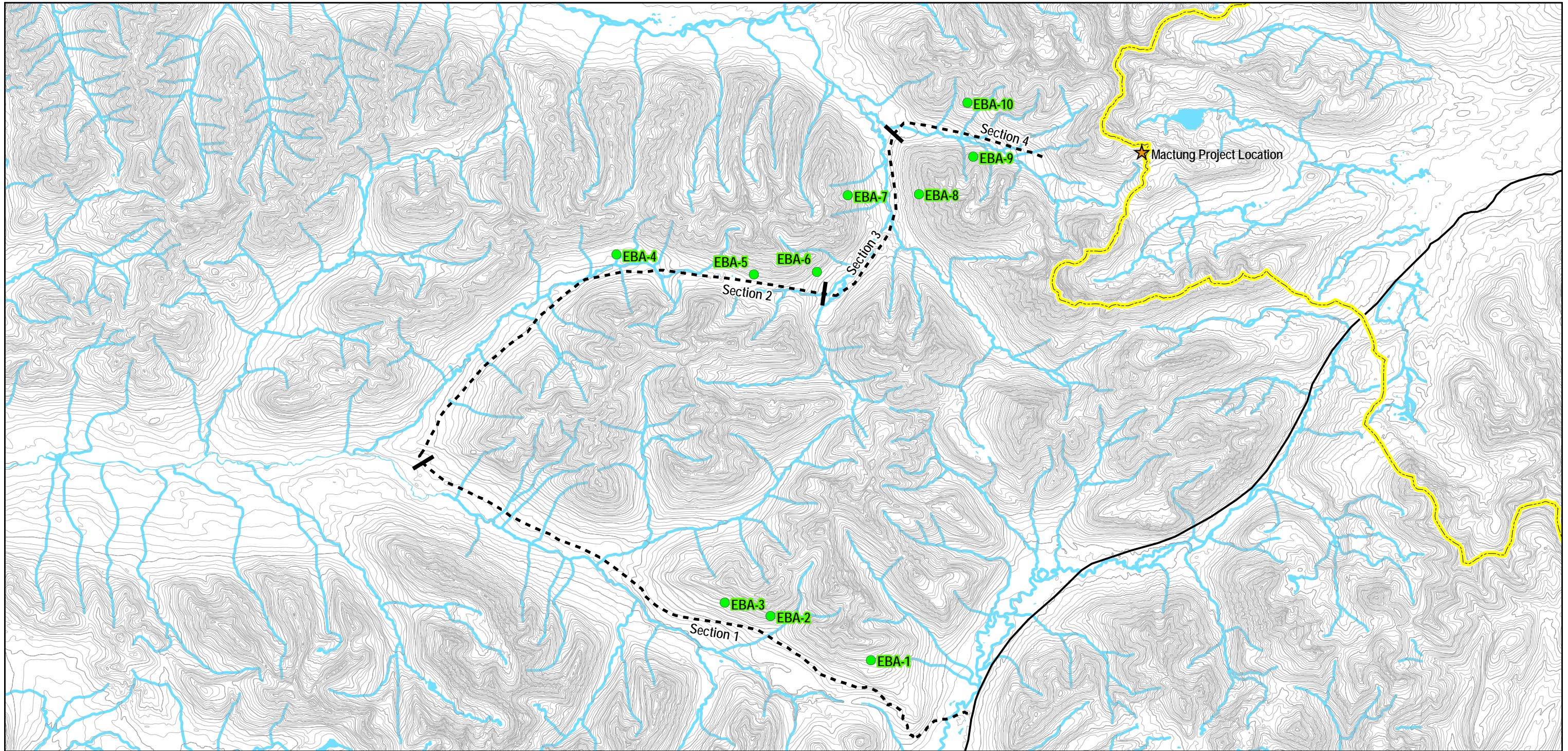
The Client agrees that both electronic file and hard copy versions of EBA's instruments of professional service shall not, under any circumstances, no matter who owns or uses them, be altered by any party except EBA. The Client warrants that EBA's instruments of professional service will be used only and exactly as submitted by EBA.

The Client recognizes and agrees that electronic files submitted by EBA have been prepared and submitted using specific software and hardware systems. EBA makes no representation about the compatibility of these files with the Client's current or future software and hardware systems.



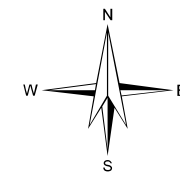
FIGURES

G:\Vancouver\GIS\ENVIRONMENTAL\W23101021_Avalanche\W23101021_Avalanche_PhotoSpring.mxd



LEGEND

- Photo Location
- Existing Roads
- Approximate Access Road Route
- Section Break
- Contours (20m)
- Contours (100m)
- NWT - Yukon Border
- Watercourse
- Waterbody
- Wetlands

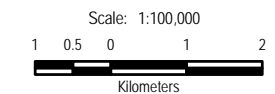


NOTES
Base data source: NTDB 1:50,000

MACTUNG

**May Avalanche Assessment
Photo Locations**

PROJECTION: UTM Zone 9
DATUM: NAD83



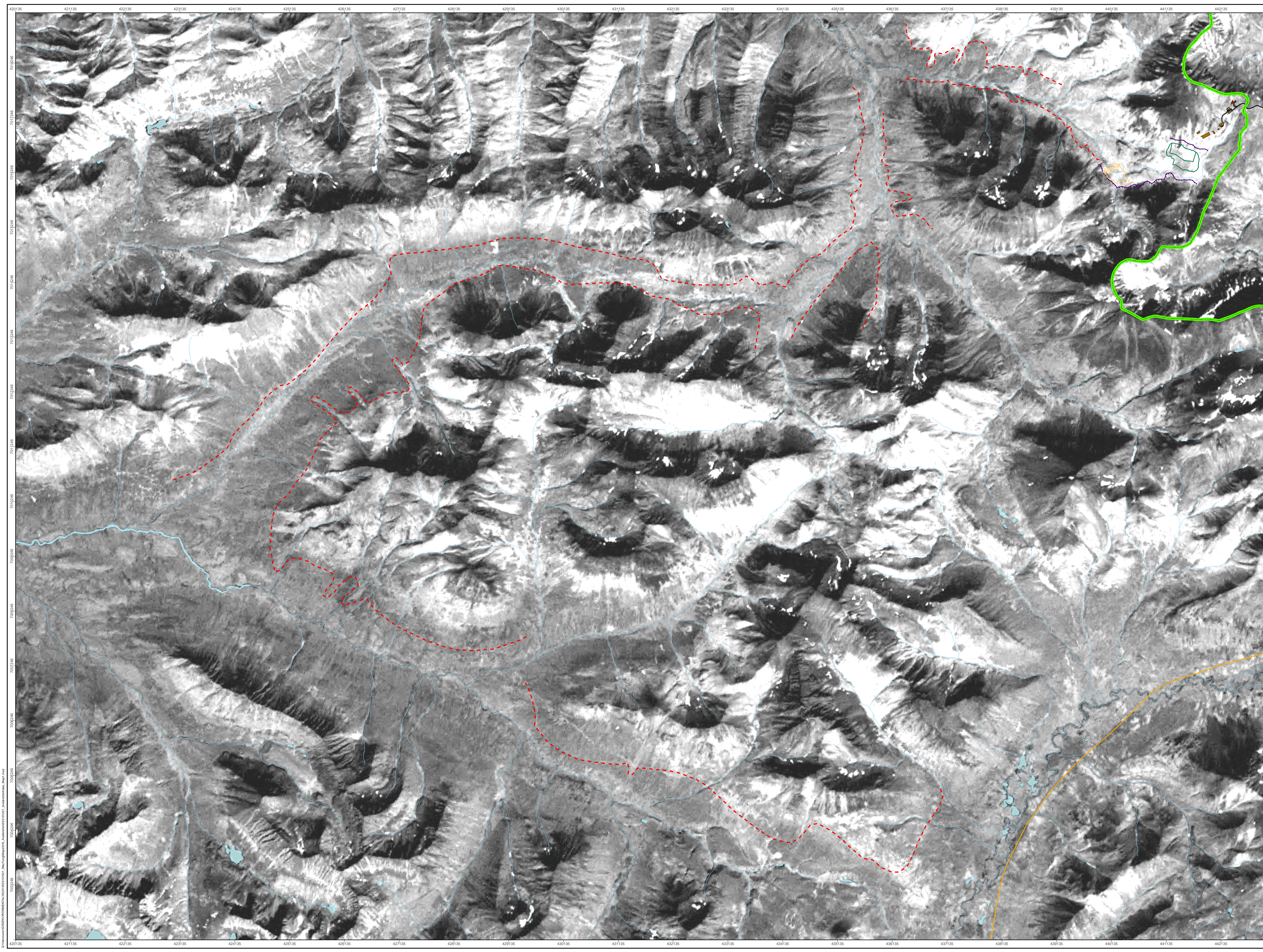
FILE NO.: W23101021_Avalanche_PhotoSpring.mxd

PROJECT NO.: W23101021.016
DWN: MEZ
CKD: SD
REV: 0

OFFICE: EBA-VANC
DATE: June 5, 2008

Figure 1

ISSUED FOR REVIEW



- LEGEND**
- - - Approximate Lower Extent of Areas with High Avalanche Hazard
 - Existing Roads
 - NWT - Yukon Border
 - Watercourse
 - Waterbody
 - Proposed Mine Footprint**
 - ▲ Adit Entrance
 - Dry Stack Tailings Facility
 - Ravine Dam
 - Existing Road
 - Diversion Berm
 - Building Footprints

FOR INTERNAL USE ONLY

NOTES
 Base data source: Yukon Geomatics, 1:250,000 NTDB

MACTUNG			
MacTung Proposed Access Road Preliminary Delineation of the Extent of High Hazard Avalanche Terrain			
PROJECTION UTM Zone 9	SCALE 1:30,000	DATUM NAD83	
FILE NO. W23101021_AvalancheAreas_Map1.mxd	DRAWN MEZ	CHKD SD	REV 0
PROJECT NO. W23101021.016	DATE June 11, 2008	EBA Engineering Consultants Ltd.	
OFFICE EBA-VANC	Map 1		



PHOTOGRAPHS



Photo 1. May 9, 2008 Recent avalanche activity along Section 1



Photo 2. May 9, 2008 Recent avalanche activity along Section 1
(red dashed lines shows approximate toe of recent runout and path of large gully avalanche)



Photo 3. May 9, 2008 Recent avalanche activity along Section 1



Photo 4. May 9, 2008 Typical avalanche activity along Section 2 with runout onto upper to mid fan.

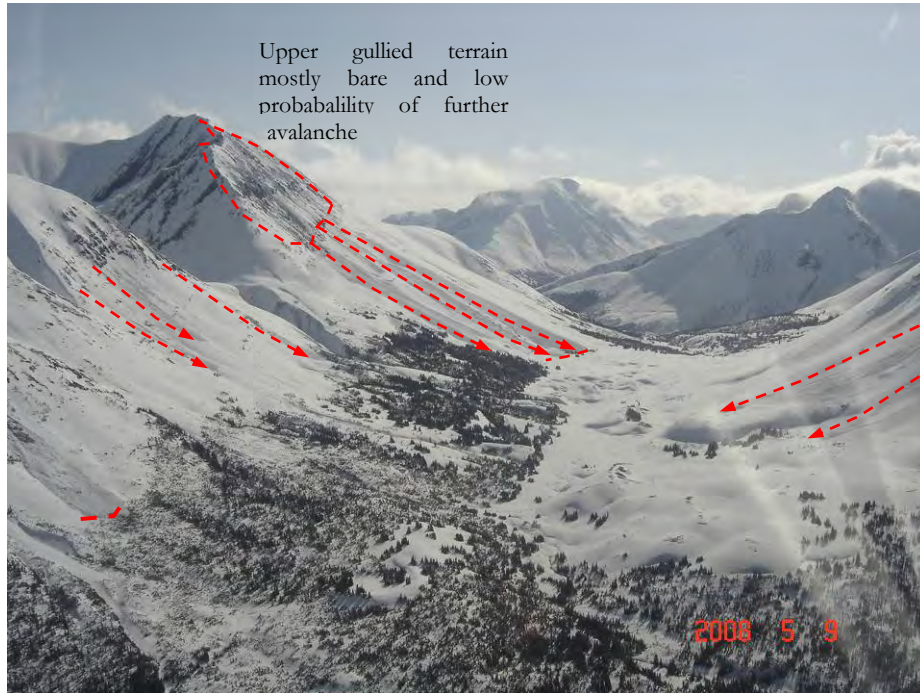


Photo 5. May 9, 2008 Recent avalanche activity near drainage divide in Section 2. Historical avalanche runout extends to valley bottom on photo left .



Photo 6. May 9, 2008 View of small avalanche paths at start of Section 3.



Photo 7. May 9, 2008 View to western valley slopes in Section 3 with avalanche runouts to upper area of colluvial fan



Photo 8. May 9 2008 Section 3 eastern valley slope with typical runout to upper area of colluvial fan.



Photo 9. May 9, 2008 southern valley slopes in Section 4
with avalanche runout close to valley bottom



Photo 10. May 9, 2008 northern valley slopes in Section 4
with avalanche runout onto upper to mid fan elevations



Photo 11 May 9, 2008 Recent avalanche activity by proposed Tailings Storage Area

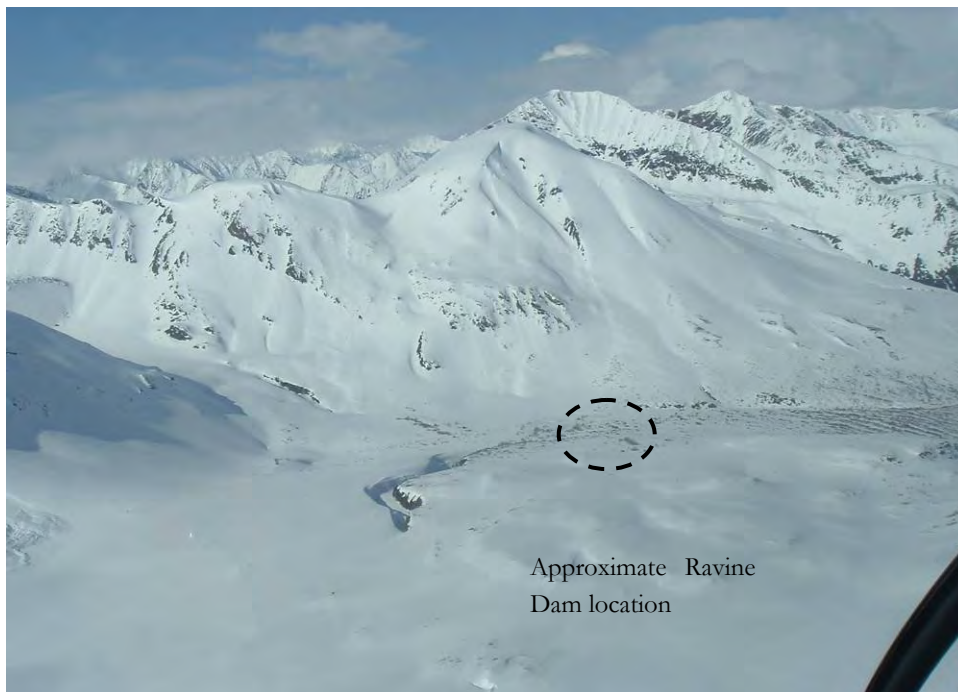


Photo 12. May 9, 2008 View to Ravine Dam location with no recent avalanche activity.



Photo 13. May 9, 2008 View to proposed minesite infrastructure with no evidence of recent avalanche activity. Cornices on ridge line indicate an easterly dominant wind.