May 26, 2008 W23101021.014

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

Attention: Mr. Wade Stogran, Environmental Manager

Mr. Britt Reid, President

Subject: Summary of Late Winter Aerial Ungulate Survey,

March 26, 2008

1.0 INTRODUCTION

On March 26, 2008, EBA Engineering Consultants Ltd. conducted a late winter aerial ungulate survey at the proposed MacTung project site for North American Tungsten Corporation Ltd (NATCL). This survey was conducted to provide current late winter season information pertinent to the upcoming project proposal submission to YESAB, for which it is necessary to characterize the extent of winter habitat use by key ungulate species in the project area and proposed access road area. A previous survey conducted in the area (AMAX 1976) suggested that ungulate habitat use in the project area was low at that time; however, no winter surveys had been conducted in the area since that time.

2.0 METHODS

EBA's late winter aerial survey was conducted on March 26, 2008, following the same east-west transect-based technique that has been used during recent baseline studies at the MacTung project site during 2005, 2006 and 2007 (EBA 2006, 2007, and 2008; Photo 1; Figure 1). Using an ASTAR 350B2 helicopter, transects spaced 2 km apart were systematically surveyed in a general East-West orientation, from South to North, covering a total area of 1,100 km² (Figure 2). This East-West orientation pattern was altered slightly during the survey to follow topographical features in order to maximize sight lines and visibility when warranted (e.g. valleys, ridgelines, etc.). During the survey, an elevation of 100 m to 150 m above ground level was targeted, with absolute survey elevations ranging from 1,100 m to 1,920 m asl. over varied terrain. Ground speed during the survey ranged from 110–150 km/h. In total, a linear distance of 602 km was covered by the transects flown, covering the majority of both the MacTung footprint and access road wildlife regional study areas (Photos 1-4; Figure 2). The survey was conducted between 12:15 and 17:15 hrs with approximately 20 minutes for refuelling and crew drop-off mid-survey. During this time, a navigator-observer (Chris Jastrebski, M.Sc., R.P.Bio.; Biologist, EBA), a second observer

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(Wade Stogran, R.P.Bio.; NATCL), and when possible, the pilot (Trans North Helicopters) reported all visible ungulate observations as well as other wildlife and wildlife sign observations. Navigation, recording of the survey track, and wildlife observation locations were recorded using a Garmin GPS 72. In addition to the location of observations, group size and composition (sex, age) of all observations were noted wherever possible, as well as the habitat in the vicinity of observations.

3.0 RESULTS

3.1 SURVEY CONDITIONS

Weather on the day of survey was clear, with exceptional visibility (0% cloud cover). Temperature ranged from -5°C to -12°C, with winds of 5-20 km/h. Visibility of individual animals and sign during the survey was excellent, with relatively fresh snow, allowing for quick location of tracks within entire valleys from higher flying altitudes (particularly for moose).

3.2 OBSERVATIONS

EBA observed evidence of four mammal species or their sign, as described below (Table 1). Figure 3 shows locations of all wildlife species and sign observed during the survey. Seven moose were observed, primarily in riparian valleys vegetated by sparse conifer or willow. Moose tracks were also observed in riparian valleys, willow slopes, and conifer forest (Photo 5). Six wolverine tracks were observed, mostly along alpine ridges with one observation in a riparian valley. One sheep track was observed (Photo 7), with a potential additional sheep track identified (Photo 8); both were located along alpine ridges. One hare track was observed high on an alpine ridge. No caribou or caribou sign were observed during the aerial survey.

4.0 SPECIFIC OBSERVATIONS AND DISCUSSION

Overall, EBA observed a low level of wildlife activity within the area surveyed, having only 18 observations of sign or individuals over the 602 km linear survey effort. The majority of the study area surveyed provides high-elevation (1,100 m - 1,900 m) subalpine and alpine habitat, with boreal and riparian habitat in the river valleys (tributaries of the Hess, South MacMillan and Tsichu rivers).

4.1 CARIBOU

EBA observed no sign of caribou or caribou activity anywhere within the area surveyed. These survey data further corroborate both recent and historical evidence that caribou belonging to the Redstone Herd (the only group that inhabits the study area) make an annual fall-winter migration eastward from the project area to wintering grounds in the



Mackenzie barren-lands region of the Northwest Territories. For example, the last caribou observed migrating from the study area during the fall of 1975 were in September, and tracks suggesting the recent out-migration of caribou were observed during an aerial survey by EBA on October 6, 2005 (EBA 2006, AMAX 1976). Evidence from EBA's aerial surveys in 2006 and 2007 suggest that caribou do not return to the study area until early June (EBA 2007, 2008).

4.2 SHEEP

One confirmed sheep track was observed, with another potential sheep track identified, both within the periphery of the study area (Photos 7 – 8; Figure 3). Based on EBA's observations during the survey, the availability of prime winter sheep habitat (exposed, windswept alpine ridges with adjacent cover) appeared to be limited within identified key sheep winter habitats (Yukon Government Wildlife Key Areas; Figure 3) as well as in the study area in general. Generally, isolated areas of suitable habitat observed by EBA tended to not fall within established sheep key winter ranges.

During the winter surveys conducted by AMAX (1976), three sheep and tracks were observed during an aerial survey conducted at the MacTung site on March 20, 1976 and twelve sheep were observed during ground reconnaissance on March 24, 1976. During these surveys, sheep were observed to make use of winter habitat from one mile west of the then-proposed plant site (in the NWT) to more than 7 miles from the site (11 square miles in area). As described by EBA (2007, 2008), it appears that the historically-observed small year-round resident sheep population in the MacTung area has since been reduced for unknown reasons.

4.3 MOOSE

EBA observed moose within the study area, but at a relatively low density of 6.36 moose / 1,000 km² (seven moose in the 1,100 km² area surveyed), as calculated from the late winter survey data. While EBA's survey was not designed as a total count survey, snow and weather (visibility) conditions at the time of survey were excellent for track observation, resulting in a relatively high level of confidence in the results and an accurate representative indication of recent habitat use. Consequently, these survey results do suggest that winter habitat use in the study area is generally low. Within the study area, EBA observed suitable and moderately used moose habitat in an upper tributary to the Hess River, which intersects the proposed access road at approximately km 16 (from the west). Moderate to high local habitat use was also noted in the Hess River tributary immediately downstream from the project area, in the vicinity of Tributary A and the proposed pumphouse location (Figure 3). In addition, a mineral lick previously noted at this location was actively being used at the time of assessment, and an open water spring was observed at the same location (Photo 6).

During winter surveys conducted by AMAX during the winter of 1975/1976, moose were observed from October 1975 to February 1976, with numbers decreasing as the winter



progressed (AMAX 1976). No moose or moose sign were observed during an historical aerial survey conducted on March 20, 1976 nor during ground surveys conducted on March 24, 1976 (AMAX 1976). These 1975/1976 surveys found that moose do not use habitat within the MacTung project site all year, but rather moose are forced out of riparian valleys through the progression of winter by increasingly deep snow accumulations. Use of riparian habitat areas by moose in the project area, as in all suitable winter habitat, is limited by snow depth. Snow cover of 65 cm can restrict cow/calf movement while 90 cm snow cover is considered "critical depth" for moose (Peek et al. 1982).

4.4 OTHER SPECIES

Six observations of wolverine tracks were made in high alpine areas along ridge tops, suggesting that local habitat use by this species is moderate (Figure 3). In surveys conducted at the MacTung site by AMAX (1976), wolverine tracks were also observed during every survey (October 1976 - March 1976). Golden et al. (2007) estimated wolverine population densities in the Old Crow Flats area of northern Yukon at 9.7 wolverines / 1,000 km², and in the upper Turnigan arm and Kenai Mountains of South-central Alaska at 3 wolverines / 1,000 km². Survey techniques conducted at the MacTung project site cannot be considered an inventory, however extrapolating a rough density from survey results translates to a density of 5.45 wolverines / 1,000 km², which is comparable to Golden et al.'s results. Wolverines have large home ranges, from 209-269 km² (Kluane Game Reserve, Banci and Harestad 1990) to 535 km² for males (Susitna Basin, South-central Alaska, Whitman et al. 1986). Female home ranges are slightly smaller (105 km², Whitman et al. 1986; 76-269 km² Banci and Harestad 1990), however due to the large home range sizes of these animals, it is expected that wolverine use of habitat in the MacTung project area is for movement through the area. Individual wolverine tracks observed were long ranging, often traveling over several ridgelines.

5.0 CONCLUSION

Based on the observations recorded during the aerial survey conducted on March 26, 2008, and comparisons to both historical data for the area (AMAX 1976) and observer knowledge from other surveys in the region, EBA believes that the above information is representative of general late winter conditions within the project area. Furthermore, current observations appeared to be generally consistent with past survey information from the site, with the exception of reduced local sheep populations.



6.0 CLOSURE

EBA is pleased to present North American Tungsten Corp. with this 2008 late winter aerial ungulate survey report. This report provides information regarding the abundance, distribution, and habitat use of various wildlife species in the MacTung project area. It has been prepared according to current professional standards, and incorporates and is subject to the EBA Environmental Report General Conditions (attached), which form part of this report. We trust that this report meets your requirements at this time. If you have any questions or require additional information, please contact the undersigned.

Respectfully Submitted,

EBA Engineering Consultants Ltd.

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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:

- 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;
- 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.



TABLES

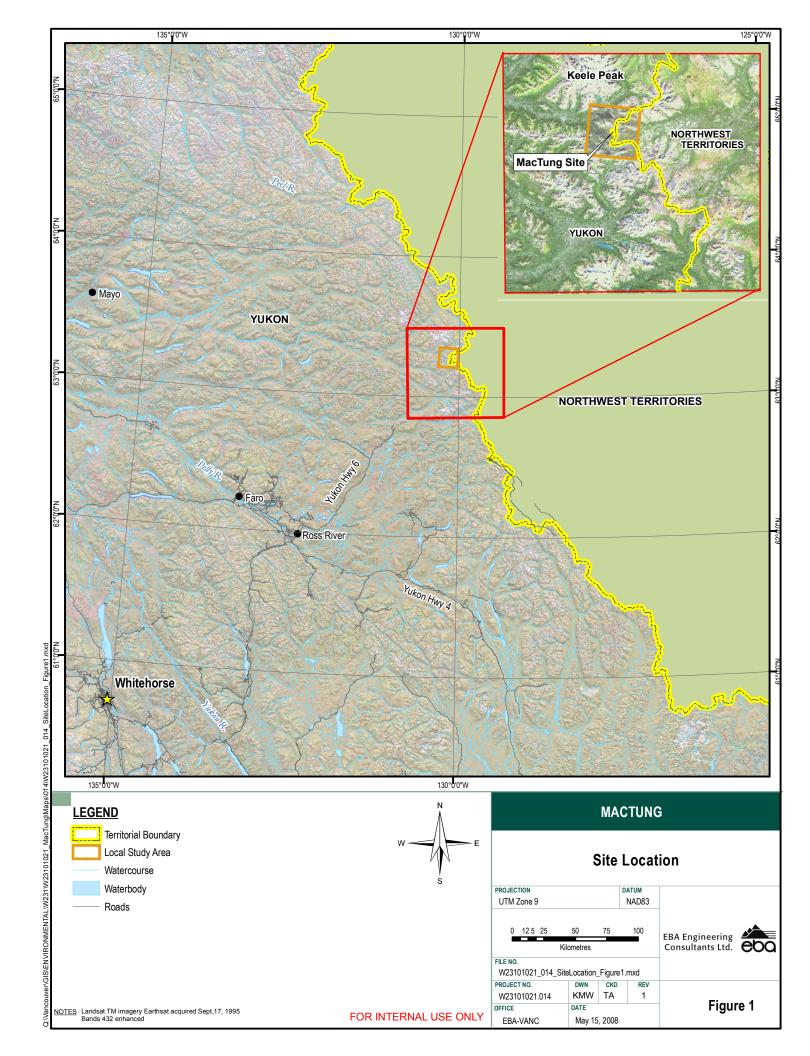


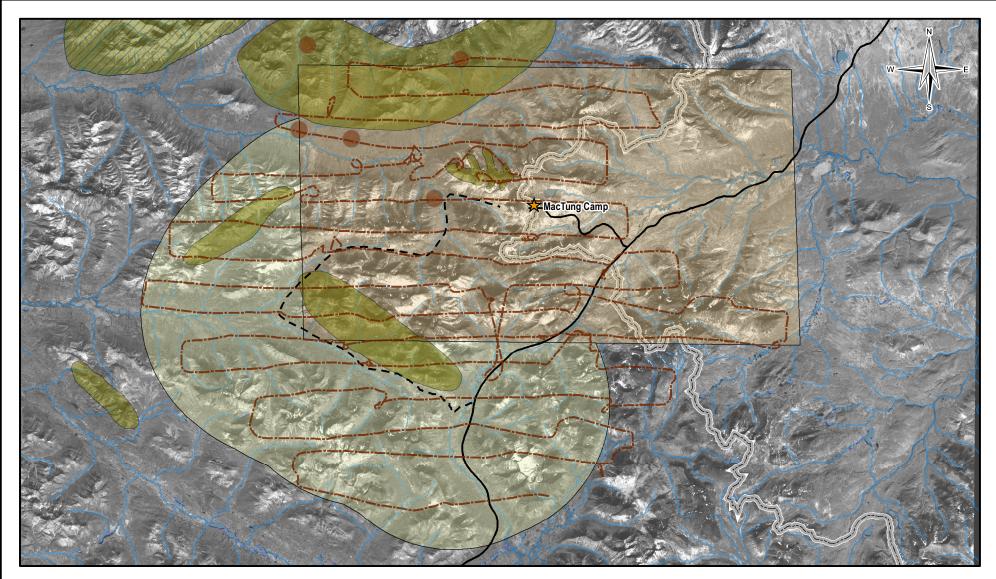
Observation #	Species	Observation Type (and Number)	Vegetation	Comments
1	Sheep	track	alpine ridge	travelling; following ridgelines; approx. 7km S of proposed access road start point
2	Moose	visual (1 individual)	willow slope	unknown sex
3	Wolverine	track (1)	alpine ridge	
4	Wolverine	track (1)	alpine ridge	across 2-3 ridges
5	Wolverine	track (1)	alpine ridge	
6	Moose	track (1)	riparian valley	very fresh sign, but moose not observed
7	Wolverine	track (1)	alpine ridge	
8	possible Sheep	track (2-3)	alpine ridge	set of tracks diverging; potentially sheep
9	Moose	track (1)	riparian valley	old
10	Moose	track (1)	riparian valley	
11	Wolverine	track (1)	riparian valley	
12	Wolverine	track (1)	alpine ridge	crossing several ridges
14	Moose	track (6+)	conifer	mineral lick area – heavy use
15	Moose	track (1)	upper treeline willow	tracks and browse sign
16	Moose	visual (1 individual)	conifer, valley bottom	
17	Moose	visual (2 individuals)	riparian willow	
18	Moose	visual (1 individual)	riparian valley edge	
19	Hare	track (1)	alpine ridge	
20	Moose	visual (2 individuals)	high riparian valley - willow	

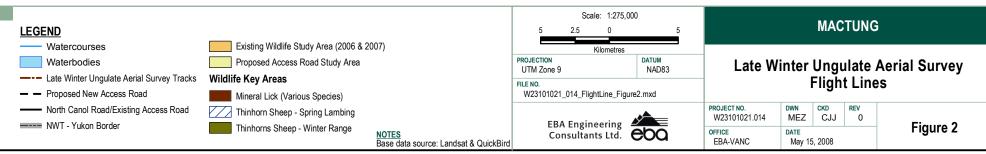


FIGURES









PHOTOGRAPHS





Photo 1
Overview of the MacTung Mine footprint area facing South.

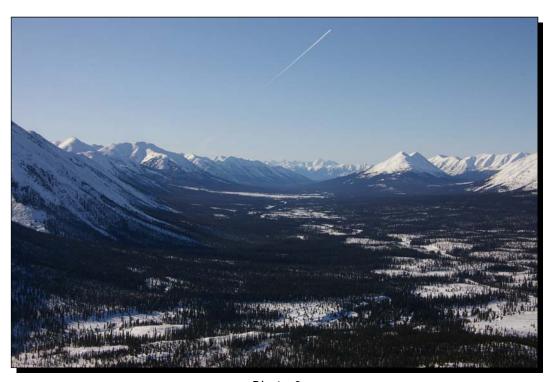


Photo 2
View of the Hess River Tributary valley facing West from the confluence of Tributary A and the Hess River Tributary.





Photo 3
View of the Hess River Tributary valley facing East from the confluence of Tributary A and the Hess River Tributary.



 $\label{eq:Photo 4} Photo \ 4$ View of the unnamed tributary of the Hess River facing West from 'v' in tributary.





Photo 5
Moose tracks observed along Tributary C and route of proposed new access.



Photo 6
High level of moose activity at mineral lick site along Tributary A, just South of the confluence of the Hess River Tributary and Tributary A. A spring with open water was noted (indicated by red arrow).





Photo 7
A sheep track observed at the Southern reach of the area surveyed, just west of the North Canol Road.



 $\begin{array}{c} \textbf{Photo 8} \\ \textbf{This track, possibly sheep, was observed at the Southeastern reach of the area surveyed, in the Northwest Territories.} \end{array}$



APPENDIX

APPENDIX A YUKON GOVERNMENT (ENVIRONMENT) WILDLIFE RESEARCH PERMIT

WILDLIFE RESEAL SUBJECT TO THE PROVISIONS OF REGULATIO PERMIS DE RECHERCH SOUS RÉSERVE DES DISPOSITIONS DE	F THE WILDLIFE ACT AND INS: IE SUR LA FAUNE E LA LOI SUR LA FAUNE ET DE
Last name • Nom de famille EBA Engineering Consulfants Gd. EChris Mailing address dresse postale	inoms Vendor number Vendor number No de distributeur/distributrice
Calcile Business Entre Unit 6 151 Industry Town, city • Ville, village WHITEHORSE, Y.T. Is hereby authorized to engage in wildlife research respecting est par les présentes autorisé(e) à effectuer des recherches sur la faune répondant aux particul	Phone/message number • N° de téléphone 668 - 207/ L 243 darités suivantes :
Woodland Caribou, Dall Steep moose in the Mac Tung property area specification around the stated property at UTM	Scally within a 400 km area centered 091 442000 7017000
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Wildlife Lesearch Permit dated Febra EBA shall, upon completion of the r	vary 20, 2008 (EBAAGE W23101021.004)
Officer a report that fully discloses conclusions derived from it.	50 m 5 H 이 경기에 있는 다음 그리는 사람들이 하나 있다. (FT) 이 글로 하는 네 그 분이 되었다. 그리고 있다.
SIGNATURE OF PERMITTEE SIGNATURE DI DE LA TITULAIRE	ISSUING OFFICER SIGNATURE DE LA PERSONNE CHARGÉE LA DÉLIVRANCE
Personal information contained on this form is collected under the <i>Wildlife Act</i> and associated Regulations and will be used by the Department of Environment for research, statistical and enforcement purposes. For further information, contact the Department of Environment at (867)667-5652 or 1-800-661-0408 within the Yukon.	Les renseignements personnels contenus dans le présent formulaire sont recueillis en vertu de la Loi sur la taune et des règlements d'application, et ils seront utilisés par le ministère de l'Environnement à des fins de recherche, de compilation de statistiques et d'exécution de la Loi. Pour obtenir de plus amples renseignements, communiquez avec le ministère de l'Environnement, au (867) 667-5652 ou au 1-800-661-0408 (à l'intérieur du Yukon).
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